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ABSTRACT

The purpose of this study was to investigate the problem of "underfunding" of the public schools in majority black districts both before and after desegregation. A research design was developed to answer the following three questions: (1) Does the problem of underfunding exist? (2) If the problem exists, is the problem limited to particular districts, or is it systemic? and (3) If the problem exists in general, how can it be demonstrated in individual predominantly black districts? Two kinds of analyses are used: first, an aggregate analysis of the local fiscal patterns of all South Carolina school districts over a five year period before and a five year period after major desegregation in the state, and second, a longitudinal study of local fiscal support patterns in individual predominantly black districts. Both analyses used district tax effort as the primary measure of underfunding. Among the main findings of the study are the following: (1) in the most recent school year, tax rates in predominantly black school districts were on the average, substantially lower than tax rates in predominantly white school districts, (2) over the past decade, tax rates in predominantly black school districts have fallen increasingly behind those in predominantly white districts, and (3) lower tax rates, combined with lower average levels of property wealth, have produced lower levels of local revenues in predominantly black districts than in all other districts in the state. (Author/AM)

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"UNDERFUNDING" OF MAJORITY-BLACK SCHOOL DISTRICTS IN SOUTH CAROLINA

BEST COPY AVAILABLE

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Joel D. Sherman
October 3, 1977

Preface

This study was undertaken with two major concerns in mind. The first was the financing of public education at the local level in majority-black school districts in South Carolina. The second was the impact of desegregation on local public school support. The findings of this study are of central relevance to South Carolina policymakers who are concerned with the financing of public education today. Among its more important findings are the following:

> First, in the most recent school year, tax rates in predominantly-black school districts were, on average, substantially lower than tax rates in predominantly-white school districts.
>
> Second, over the past decade, tax rates in predominantly-black school districts have fallen increasingly behind those in predominantly-white districts.
>
> Third, lower tax rates, combined with lower average levels of property wealth, have produced lower levels of local revenues in predominantly-black districts than in all other districts in the state.
>
> Fourth, the system of state aid presently in existence, which distributes approximately equal dollars per pupil, does nothing to overcome revenue disparities which are locally based.

In summary, local support for public education in predominantly-black school districts has been consistently below support levels in districts with higher proportions of white students.

Furthermore, in individual majority-black districts the problem is even more acute than average figures would suggest. Fiscal authorities in some predominantly-black South Carolina school districts have historically provided the lowest levels of support for public education. Others have dramatically reduced

local support as the public schools were desegregated and large numbers of white students left the public schools for newly-established segregated academies. Furthermore, intracounty discrimination is evident in both types of districts: county fiscal authorities have set lower tax rates and provided lower levels of local revenue in districts with higher proportions of black students than in more heavily-white districts.

The role of local school districts in financing the public schools is critical. However, the primary responsibility for education in South Carolina -- and for its equitable funding -- rests not with local districts, but with the state. Under Article XI, Section 3 of the South Carolina Constitution, the General Assembly is responsible for the "maintenance and support of a system of free public schools open to all children in the State." In fulfillment of its constitutional duty, the General Assembly has recently taken a major first step in the direction of equity with its passage of the 1977 School Finance Act. The new act, if fully funded, would guarantee at least a minimum standard of education to children in every school district in the state and would substantially increase state support for the public schools. It would also move a long way towards eliminating at least part of the problem of racially-discriminatory local funding in many of the state's majority-black districts through an incentive system which would provide large amounts of new state aid if certain districts significantly increased their local contribution to the state's minimum program. The problem would still persist, however, if local districts continue to operate as they have in the past and refuse to increase their local effort for public education.

If South Carolina's new school finance act is to succeed in bringing about educational equality, it is clear that two prerequisites must be fulfilled. First, the state must fully fund its financial obligations under the new foundation program. Second, local school districts which have consistently supported public education at low levels in the past must significantly increase their local effort. As the findings of the study indicate, this is particularly needed in many of the state's predominantly-black school districts. Without both of these developments, children in majority-black school districts will continue to obtain fewer resources for their education than children in other more heavily-white districts across the state of South Carolina.

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Introduction

With the 1954 Supreme Court decision in Brown v. Board of Education of Topeka, the dual system of public schools in the South was recognized as inherently unequal. The evidence made it clear that black children in segregated schools were having less money spent on their education and were receiving less adequate educational services than white children in the same school district. One of the major purposes of court-ordered desegregation was the elimination of racial discrimination in the provision of educational services. By desegregating the schools, it was hoped that black children would gain equal access to the financial resources of a school district.

Despite the Supreme Court's ruling that de jure segregation was unconstitutional, major desegregation did not occur in most South Carolina school districts until the 1970-71 school year. However, when it did finally occur, as a result of considerable federal pressure and of federal court orders, it was accompanied by massive white flight to private segregated academies. In many school districts, particularly those with relatively few white students before desegregation, a dual system of schools was reestablished. The public schools became predominantly black, while the newly-established private system was almost exclusively white.

Fiscal control of the public schools, however, remained in the hands of the local white power structure. Most school boards in predominantly-black districts continued to be appointed, rather

than elected.[1] Thus, even where blacks constituted a majority of a county's (or district's) population, they could not select their local school leadership. Furthermore, most predominantly-black school districts were fiscally dependent.[2] The ultimate authority for budget approval or tax rate increases resided in a county council or the county legislative delegation, rather than the local school board. Many of these people had their children in the private schools and thus had little interest in maintaining or increasing public school support.

The allegation has consequently been made that a new form of discrimination developed, namely "underfunding" of the public schools. The thrust of the allegation is that, in predominantly-black districts, the white power structure has reduced local support of the public schools through millage reductions, and has used the resulting tax savings for payment of tuition in the segregated academies. Thus, black children who were receiving fewer educational resources in the segregated public system are continuing to do so under the newly-created public-private system.

1/ Only two of the 18 school boards (11%) in predominantly-black school districts were selected through election, while ten of 18 boards (56%) in predominantly-white districts and 12 of 18 (67%) in majority-white districts were selected through election during the 1974-75 school year.

2/ During the 1974-75 school year, only six of 18 boards (33%) in predominantly-black school districts were fiscally independent, while 14 of 18 boards (77%) in predominantly-white school districts were fiscally independent. On average statewide, 49 of the 92 school boards (53%) were fiscally independent.

Purposes of the Study

This study was undertaken in order to investigate the problem of "underfunding" of the public schools in majority-black districts both before and after desegregation. Towards this objective, a research design was developed which would attempt to provide answers to three major questions:

1. Does the problem of "underfunding" exist, i.e., does the empirical evidence support the contention that local fiscal authorities in predominantly-black districts were/are "underfunding" the public schools?

2. If the problem does exist, is the problem limited to particular districts, or is it more systemic? Or, to state it another way, do local fiscal authorities in predominantly-black school districts as a group systematically "underfund" the public schools in these districts?

3. Finally, if the problem does exist in general, how can it be demonstrated in individual predominantly-black districts?

Design of the Study

The study attempted to approach these questions using two major types of analysis: first, through an aggregate analysis of the local fiscal patterns of all South Carolina school districts over a five-year period before and a five-year period after major desegregation in the state; second, through a longitudinal study of local fiscal support patterns in individual predominantly-black districts. Both analyses used district tax effort as the primary

measure of "underfunding" (since this was the major fiscal variable over which local authorities could exercise direct control), although the impact of tax rates on local revenues per student was given major consideration in the analysis.

Aggregate Analysis

Quintile Analysis of Tax Rate

The aggregate analysis of local school district tax effort consisted of two sections. The first compared the local tax rates in majority-black and predominantly-black school districts with tax rates in districts with larger proportions of white students. Districts were ranked on their 1974-75 "percent white enrollment" and divided into quintiles with nearly comparable numbers of districts. Average tax rates for districts in each of the five groups in the 1974-75 school year were analyzed. The analysis also compared average tax rates of these groups in years preceding major desegregation in the state (1966-67 and 1969-70) -- and examined the change in tax rates over the course of the periods 1966-67 to 1974-75 and 1969-70 to 1974-75. In addition, it examined the relationship between the "percent white enrollment" of a district and tax rate in each of the years before and after desegregation, in an effort to determine whether desegregation produced differences in patterns of local taxation.

Quintile Analysis of Local Revenues Per ADA

It could reasonably be argued that tax effort alone should not be regarded as a measure of underfunding, since low tax rates

might not necessarily produce low levels of local revenue. In any given year, districts with high property wealth could still produce above-average levels of local revenue with low tax rates. And, in a longitudinal analysis, increases in property wealth per student (brought about either by increases in property wealth, or by declines in student enrollment) might produce higher levels of local revenue per student even with a maintenance or decline in tax rates. The impact of tax rate on local revenues per student therefore had to be given serious consideration.

The analysis of local revenues followed the form used in the analyses of tax rates. Again districts were ranked on their racial enrollment, and divided into quintiles which were then compared on average local revenues per student in the 1974-75 school year. Comparisons were also made in the pre-desegregation year of 1969-70 and changes in revenues over the period were analyzed. An effort was also made to assess the relative impact of tax rate and property wealth on local revenues over time, using a determinants model which included both of these variables. By comparing the relative importance of each of these variables before and after desegregation, an assessment of the impact of desegregation -- acting through its effect on tax rate -- on local revenues per student could be made.

Individual District Analysis

Before large-scale analysis was undertaken, a cursory examination of local tax rates in South Carolina in the period between 1965-66 and 1974-75 revealed that only two school districts actu-

ally lowered their tax rates during the course of this period. All of the other districts either maintained existing tax rates or increased them. In addition, as a result of increases in property valuations, local revenues per student also showed at least modest increases regardless of changes in tax rate. Consequently, it became apparent that "underfunding" at the district level could not be defined in absolute terms. Rather, district fiscal behavior could only be judged in relative terms, i.e., in relation to some reasonable standard of comparison.

For the purpose of the study, the standard used for comparson was the fiscal behavior of districts with comparable levels of property wealth. For each year in the period between 1965-66 and 1974-75, South Carolina districts were ranked on their assessed valuation per pupil, and divided into five equal groups. For each group average tax rates and local revenues per ADA were calculated. These group averages then served as the standard for determining "underfunding" in individual districts, since it was believed that, if other comparably situated districts could make a certain tax effort, comparable effort could be made by majority-black districts. Those districts which fell consistently below the standard on tax effort and local revenue per ADA -- both pre- and post-desegregation, or post-desegregation alone -- were considered as "underfunding" districts.

Summary of Findings

The analysis of local funding patterns in South Carolina school districts in the period between 1965-66 and 1974-75 shows a

strong relationship between the racial composition of a school district and district support of the public schools. It further supports the proposition that desegregation of the public schools had a significant influence on the financial decisions of local fiscal authorities. Its apparent effect was to reduce the level of local support in districts where the racial composition of the student body was majority-black.

The aggregate analysis developed the following specific findings:

1. Over the 1965-66 to 1974-75 period, average tax rates in predominantly-black districts dropped substantially below tax rates in districts with higher proportions of white students.

2. During the same period, local revenues per student showed the same pattern as tax rates. Average local revenues per student in predominantly-black districts fell well below revenue levels in more heavily-white districts.

3. With the advent of desegregation, the relationship between the racial composition of a school district and the school district's tax rate changed significantly. Where in the pre-desegregation period higher black enrollment was associated with higher tax rates, in the post-desegregation period it was associated with lower tax rates.

The individual district analysis which compared the fiscal behavior of individual majority-black school districts with districts of comparable property wealth, demonstrated two major patterns of "underfunding" of the public schools.

1. Historical "underfunding". In some South Carolina school districts discrimination in local support for the public schools existed before desegregation. Local fiscal authorities maintained low levels of support for largely-black student populations even before desegregation occurred.

2. Post-desegregation "underfunding". In other majority-black districts, discrimination was strongly associated with the desegregation of the public schools. Where in the pre-desegregation period local fiscal authorities set tax rates which were comparable to those in districts with comparable levels of property wealth, in the post-desegregation period tax effort and local revenues dropped well below those in similarly situated districts.

The analysis also showed that within both groups of districts there were some which also practiced another form of discrimination, namely, intracounty discrimination. In certain counties, county fiscal authorities set lower tax rates and provided lower levels of local revenue in districts with higher proportions of black students than in more heavily white districts.

Structure of the Report

The report on South Carolina local school finance is presented in two sections. Chapter I presents the findings which were developed from the aggregate analysis. Chapter II presents the findings for individual predominantly-black school districts where underfunding seems to have been -- and continues to be -- a prevalent practice.

Chapter I

Underfunding: Statewide Patterns

Introduction

This chapter presents the major findings which emerged from the aggregate analysis of South Carolina school districts' fiscal behavior in the 1965-66 to 1974-75 period. It contains two major sections. The first section presents a cross-sectional analysis of tax rate patterns in the 1974-75 school year and longitudinal analysis of changes in tax rates over the 1965-66 to 1974-75 period. The second section focuses on revenue patterns in South Carolina districts. It examines patterns of local revenue, state-local revenue, and total revenue both in the 1974-75 school year and in the period from 1965-66 to 1974-75.

Tax Effort of South Carolina School Districts in the 1974-75 School Year

In the 1974-75 school year, the tax effort of a school district showed a strong relationship to the district's racial composition. In general, districts with higher proportions of white students were exerting higher tax efforts than districts with lower proportions of white students. The differences were most marked at the extremes, as the following table, which ranks districts on their 1974-75 white enrollment, demonstrates.

Table 2.1

White Enrollment and Tax Effort
of South Carolina School Districts
in the 1974-75 School Year*

Quintile of Percent White Enrollment	Range in Percent White Enrollment	Average Tax Rate for Current Operations
First - Predominantly White	73.6% - 92.3%	97.9 mills
Second - Majority White	60.8% - 73.4%	86.1 "
Third - Racially Balanced	44.2% - 59.6%	77.7 "
Fourth - Majority Black	28.0% - 43.4%	78.8 "
Fifth - Predominantly Black+	0.3% - 27.4%	70.1 "
State Average	59.0%	82.1 "

* Districts which are included in each quintile in white enrollment are listed in Table 1 of Appendix B. Selected school finance statistics for each district are presented in Tables 1 to 5 of Appendix C.

During the 1974-75 school year the school districts with the highest proportion of black students were exerting the lowest tax rates for schools. The state average tax rate of 82.1 mills was about 1.2 times the average in predominantly-black districts, while the average in predominantly-white districts was about 1.4 times that in the predominantly-black group. Predominantly-black dis-

+ A few predominantly-black districts did exert tax rates above the state average. Nonetheless, the average for these districts was still below the average in predominantly-white districts. However, these tended to be in smaller districts or districts which were so low in property wealth that they had to exert above-average tax effort to get below-average revenues per pupil.

tricts were taxing themselves, on average, at a rate which was about 28 mills lower than districts with the largest proportion of white students. In individual districts, the differences were even more extreme. For example, Spartanburg 1, with a white proportion of 80.5%, had a tax rate of 116.8 mills, while Clarendon 2, with a white proportion of 24.1%, had a tax rate of 42 mills. In other words, partanburg 1 was exerting a tax rate that was about 75 mills -- or about 2.8 times higher than the rate in Clarendon 2.

Tax Effort of South Carolina School Districts Over Time: 1965-66 to 1974-75

The gap in tax effort between districts with large proportions of black and white students which was manifested in the 1974-75 school year seems to be strongly associated with the desegregation of the public schools in South Carolina. Prior to major desegregation, the average tax effort of districts with diverse racial compositions was fairly equal. This can be seen in Table 2.2, which examines tax rates for quintiles of white enrollment. In 1965-66 -- a pre-desegregation year -- for example, predominantly-white districts had an average tax rate of 40.1 mills, while predominantly-black districts had an average tax rate of 45.7 mills. Local authorities in high-minority districts were evidently willing to exert a tax effort which was at least comparable to that exerted by low-minority districts, since the revenues could be used to support a dual school system.

Table 2.2

White Enrollment and Tax Effort
in South Carolina School Districts,
1965-66, 1969-70, and 1974-75*

Quintile of Percent White Enrollment	1965-66 Tax Rate	1969-70 Tax Rate	1974-75 Tax Rate
Predominantly White	40.1 mills	73.8 mills	97.9 mills
Majority White	39.3 "	65.8 "	86.1 "
Racially Balanced	48.3 "	65.4 "	77.7 "
Majority Black	48.3 "	65.9 "	78.8 "
Predominantly Black	45.7 "	62.6 "	70.1 "
State Average	44.4 "	66.7 "	82.0 "

* Districts are grouped into quintiles on the basis of their 1974-75 percent white enrollment. However, district ranking on "percent white enrollment" is quite similar over the period. See Appendix A, Tables 3 and 4. (Ranking on "percent white enrollment" in each year would not alter the results significantly.)

As desegregation proceeded, the pattern began to change. Districts with high proportions of white students -- regardless of their level of assessed valuation per ADA -- consistently increased their tax rates more substantially than districts with lower proportions of white students. These latter districts frequently did not raise their tax rates at all, or, if they did so, only by marginal amounts. Thus, by 1969-70 a gap in tax rate between high white and low white districts had begun to develop. Districts in the highest quintile in white enrollment now had an average tax rate of 73.8 mills, while those in the lowest quintile had an average tax rate of 62.6 mills, a difference of 11.2 mills.

Since 1969-70, the magnitude of the change has been even more significant. To return to the figures presented previously, by 1974-75 districts in the predominantly-white group now had an average tax rate of 97.9 mills, while those in the predominantly-black group had an average tax rate of 70.1 mills for a 28-mill difference. Or, to put it another way, districts in the higher quintiles in white enrollment have generally increased their tax rates quite substantially, while those in the lower quintiles have made only minimal increases. Table 2.3 demonstrates how the gap in tax effort between high white and low white districts has significantly widened in the period between 1969-70 and 1974-75. (For a comparison of tax rates by quintile of white enrollment in each year between 1965-66 and 1974-75, see Appendix H, Table 1.)

Table 2.3

White Enrollment and Changes in Tax Rates in South Carolina School Districts, 1969-70 to 1974-75

Quintile of Percent* White Enrollment	1974-75 Tax Rate	1969-70 Tax Rate	Change in Tax Rate, 1969-70 to 1974-75	Percent Change in Tax Rate
Predominantly White	97.9	73.8	+ 24.1	+ 32.7%
Majority White	86.1	65.7	+ 20.4	+ 31.1%
Racially Balanced	77.7	65.4	+ 12.3	+ 18.8%
Majority Black	78.8	65.9	+ 12.9	+ 19.6%
Predominantly Black	70.1	62.6	+ 7.5	+ 12.0%
State Average	82.0	66.7	+ 15.6	+ 23.5%

* Districts are grouped into quintiles in both years on the basis of their 1974-75 percent white enrollment.

Between 1969-70 and 1974-75, the predominantly-white districts have, on average, increased their mill rate by 24.1 mills -- or 32.7%. This is about three-and-one-half times the increase of 7.5 mills (12.0%) in predominantly-black districts. Thus, predominantly-black districts have fallen substantially behind in tax effort. Where in 1969-70 this quintile of districts was only about 4 mills below the state average and 11 mills below the predominantly-white district's average tax effort, by 1974-75 the gap had increased to about 12 mills and 28 mills respectively.

Correlates of Tax Effort in the 1974-75 School Year and Over Time: 1962-63 to 1974-75

Percent White Enrollment

During the 1974-75 school year the relationship between the racial composition of the district and the district's tax rate was moderately strong. The correlation coefficient between the two measures was +.477. This meant that, as the proportion of white students enrolled in a district increased, the tax effort of the district also tended to increase. Conversely, as the proportion of white students in a district decreased, the tax effort also tended to decrease. In summary, there appeared to be a fairly strong linkage between race and tax effort.

Over time this relationship between the proportion of whites in a district and district tax rate has become increasingly more positive. See Table 2.4. (For a complete examination of the correlates of tax effort over the 1962-63 to 1974-75 period, see Appendix I.)

Table 2.4

Relationship Between Race and Tax Effort
in South Carolina School Districts
for Selected Years, 1962-63 to 1974-75

Year	Simple Correlations, Percent White Enrollment and Tax Rate	Partial Correlations, Percent White Enrollment and Tax Rate: Controlling for Assessed Valuation Per ADA
1962-63	-.2423	-.1550
1965-66	-.2084	-.1014
1967-68	+.2198	+.2705
1970-71	+.3181	+.3863
1974-75	+.4768	+.5158

In the year before major desegregation occurred in South Carolina, the relationship between the white enrollment of a district and tax rate was negative. This meant that largely black districts, which in general were poorer in property wealth than white districts, were exerting a higher tax effort than white districts in order to overcome these wealth deficiencies. The existence of a dual system probably explains this phenomenon, since a substantial portion of these tax revenues may have been concentrated on expenditures and services in all-white schools.

Beginning in 1967-68, a change in the pattern began to occur. Districts with higher proportions of white students started to increase their tax rates substantially, while largely black districts stayed relatively constant. The result was a change in the relationship between race and tax effort. Whereas higher tax effort was previously associated with lower proportions of white enroll-

ment, it was now associated with higher white enrollment -- although the magnitude of the relationship was rather modest (+.2198). Throughout the desegregation period, the magnitude of this relationship increased significantly, reaching a level of +.4768 in 1974-75. Predominantly-white districts also tended to have higher levels of assessed valuation per ADA. In combination, higher levels of wealth and higher tax rates produced substantially higher levels of local revenues in high white districts.

Other Factors

In many states, certain fiscal and demographic variables have often been found to be related to school district tax rates. These variables include: school district property wealth, measured by assessed valuation per pupil; personal income, measured as per capita or median family income; school district size; and private school enrollment. In South Carolina, some of these variables demonstrated the expected relationship over the period of the study, while others did not support previous research.

Per capita income, for example, was positively associated with school tax rates in most years, as expected. In 1974-75, the correlation between per capita income and tax rate was +.4138. However, this relationship did not greatly influence the relationship between percent white enrollment and tax rate. In fact, when districts had comparable levels of per capita income, higher percentages of white enrollment continued to be associated with higher tax rates. For example, Lexington 1 and Florence 3 had per capita incomes of $1891 and $1874 respectively. However, Lexington 1,

with a white enrollment of 91.48%, had a tax rate of 115 mills, while Florence 3, with a white enrollment of 39.8%, had a tax rate of 72 mills. In short, when per capita income was held constant, higher white enrollment was associated with higher tax effort.

Private school enrollment also tended to show the expected relationship in most years of the study, having a moderately negative relationship with school tax rate. In 1974-75, the strength of the relationship rose to about -.39. However, since desegregation private school enrollment has increasingly become more negatively associated with white public school enrollment, as large numbers of white students in majority-black districts left the public schools for segregated academies. By 1974-75, the correlation coefficient between private and white public school enrollment was -.81. Thus, the higher the proportion of whites in public school, the lower the proportion of children in private school, and the higher the school district's tax rate.

In contrast, assessed valuation per pupil did not exhibit the expected relationship with school tax rate. In fact, over almost the entire period of the study, there was virtually no relationship between property wealth and tax rate. In 1974-75, the correlation coefficient was -.0216. Some high-property-wealth and some low-property-wealth districts were taxing at high rates, while other high-wealth and low-wealth districts were taxing at low rates. Thus, when districts with comparable levels of property wealth were compared, the relationship between a district's racial composition and its tax rate continued to hold. This meant that, where districts had comparable wealth, those which had higher proportions of

white enrollment had higher tax rates than districts with lower proportions of white students. For example, Anderson 2 and McCormick had almost identical levels of property wealth -- $2596 and $2572 per ADA respectively. However, Anderson 2, with a white enrollment of 75.5%, had a tax rate of 86.3 mills, while McCormick, with a white enrollment of 16.3%, had a tax rate of 38 mills. With property wealth held constant, higher white enrollment was strongly related to higher tax rates.

School district size, measured by average daily attendance (ADA), also did not exhibit the expected positive relationship with tax rate. As with assessed valuation per pupil, ADA had no relationship with tax rate over the period of the study. In 1974-75, the correlation coefficient was +.0665. Thus, when district size was held constant, districts with higher proportions of white students had higher tax rates than districts with lower proportions of white students. For example, York 4 and Allendale had 2203 and 2212 pupils in average daily attendance respectively during the 1974-75 school year. However, York 4, with a white enrollment of 86.6%, had a tax rate of 103 mills, while Allendale, with a 21.7% white enrollment, had a tax rate of only 65 mills.

Local Revenues in South Carolina School Districts in the 1974-75 School Year

The impact of the findings of the previous section lies primarily in the level of resources which are available to students in districts with differing racial composition. Lower tax rates in predominantly black districts, in conjunction with poorer tax bases, produce levels of local revenue which are substantially lower than

those in largely white districts. This is clearly demonstrated in Table 2.5, which presents selected school finance statistics for the 1974-75 school year.

Table 2.5

White Enrollment, Tax Effort, District Wealth and Local Revenues in South Carolina School Districts in the 1974-75 School Year*

Quintile of Percent White Enrollment	Local Revenues Per ADA	Assessed Valuation Per ADA	Tax Rate for Current Operations
Predominantly White	$343	$4360	97.9
Majority White	279	3109	86.1
Racially Balanced	230	2628	77.7
Majority Black	209	2112	78.8
Predominantly Black	153	1627	70.1
State*	273*	3048**	82.1

* State Average equals sum of local revenues for all districts divided by State ADA. (Average of District Local Revenues Per ADA = 242.)

** State Average equals sum of assessed valuation for all districts divided by State ADA. (Average of District Assessed Valuations Per ADA = 2764.)

During the 1974-75 school year, local revenues per ADA showed a well-defined relationship with the racial composition of the school district. As the proportion of white students enrolled in the district increased, local revenues per ADA also tended to increase. (The correlation coefficient was +.5690.) The impact of this relationship on districts with large proportions of black stu-

dents is quite apparent. Predominantly-black districts had, on average, only about $153 in local revenues per ADA, while districts which were majority-black had only $209 in local revenue per ADA. This contrasts with an average of $343 per ADA for predominantly-white districts. These latter districts had about 2.2 and 1.6 times the local revenue of predominantly- and majority-black districts respectively.

Local Revenues: A Function of Property Wealth and Tax Rate

The low level of local revenue per ADA in black districts was a function of two major factors: low levels of district wealth (measured by assessed valuation per ADA) and low tax rates. As Table 2.5 indicated, predominantly-black and majority-black districts tended, on average, to have lower levels of property wealth than predominantly-white districts.* The predominantly-black groups, with an average assessed valuation of $1627 per ADA, and the majority-black group, with an average assessed valuation of $2112 per ADA, had only about 37% and 48% of the property valuation of the predominantly-white group respectively.[3/] Consequently, if a black district in the fifth quintile in valuation per ADA were to exert a comparable tax rate to a white district in the first wealth quintile, it would produce substantially lower local revenues.

However, as the preceding section has demonstrated, black

3/ A high proportion of black districts also tended to be poor in wealth. Of the 18 districts in the predominantly-black group, eight (44%) were in the bottom 20%, and 13 (72%) were in the bottom 40% of all the districts in assessed valuation per ADA.

* See Appendix G for a comparison of property wealth by quintile of white enrollment for each year between 1965-66 and 1974-75.

districts have not levied comparable tax rates with white districts. School boards and county councils in predominantly-black districts have almost systematically maintained low tax rates -- or made only modest tax rate increases -- since desegregation. This has meant that, not only has the gap in tax effort between black and white districts grown over time, but the gap in local revenues has grown as well. Table 2.6, which compares local revenues among districts of different racial composition, documents the growing gap in local revenues among black and white districts. (See Appendix H for a comparison of local revenues by quintile of white enrollment for each year between 1965-66 and 1974-75.)

Table 2.6

White Enrollment and Changes in Local Revenues Per ADA in South Carolina School Districts, 1969-70 to 1974-75

Quintile of Percent White Enrollment	1974-75 Local Revenues Per ADA	1969-70 Local Revenues Per ADA	Change in Local Revenues Per ADA, 1969-70 to 1974-75
Predominantly White	$343	$174	+ $169
Majority	279	168	+ 111
Racially Balanced	230	145	+ 85
Majority Black	209	111	+ 98
Predominantly Black	153	86	+ 67
State Average	273*	154**	+ 119

* State Average equals sum of local revenues for all districts divided by state ADA. (Average of District Local Revenues Per ADA = $242 in 1974-75, $137 in 1969-70.)

** Districts are grouped into quintiles in both years on the basis of their 1974-75 rankings on percent white enrollment.

In 1969-70, the year before most large-scale desegregation took place in South Carolina, local revenues of $174 per ADA in predominantly-white districts were approximately twice the $86 per ADA in predominantly-black districts. However, in the period between 1969-70 and 1974-75, the gap has grown considerably. Local revenues per ADA in the first group grew by about $169 on average, while those in the second grew only by about $67 -- a factor of two-and-one-half to one. Thus, by 1974-75, the gap in local revenues between predominantly-black and predominantly-white districts had grown to $190 per ADA, on average. Predominantly-white districts had about $343 per ADA, while predominantly-black districts had only about $153 per ADA.

Determinants of Local Revenue Over Time: 1965-66 to 1974-75

The strong positive relationship between the white enrollment of a district and the level of local revenue per ADA found in the previous tables (the correlation coefficients ranged from +.5321 in 1970-71 to +.6172 in 1973-74) immediately raises an important question: what role does the racial composition of a district play in influencing local revenues? To answer the question, a simple model was developed to explain local revenues per ADA in selected years from 1965-66 to 1974-75. The model included the two factors which are used directly in the calculation of local revenues per ADA, namely assessed valuation per ADA and tax rate. The statistical results of this model are presented in Appendix K, while the important findings of the analysis are summarized below.

The most striking development in South Carolina school finance in the period between 1965-66 and 1974-75 is the increasing importance of tax effort as a determinant of district local reve-

nues per ADA. Where, in the pre-desegregation period, tax effort was virtually insignificant relative to assessed valuation per ADA in explaining a district's local revenue per ADA, by 1974-75 the two factors were almost comparable in their impact on local revenues. This meant that a factor which was directly linked to race, and which local fiscal authorities could influence directly, i.e. tax rate, had increasing direct influence on local revenues. In other words, the white enrollment of a district, acting through its impact on a district's tax rate, had become an important determinant of the level of local resources which were available in the district's public schools.

State-Local Revenues in South Carolina School Districts in the 1974-75 School Year

The preceding sections documented the strong linkage between the racial composition of a school district and the school district's tax rate and local revenues. It clearly substantiated the claim that school boards and county councils in predominantly- and majority-black school districts have "underfunded" the public schools in these districts in the post-desegregation period. By keeping tax rates low, they have reduced the level of local revenues which are available to support public education. Local funds, however, account for only about 35 percent of school district revenues from state and local sources. State revenues, which constitute the remainder of these funds, therefore have a major impact on the level of resources which are available for the education of children in majority-black districts. This section will therefore examine the distribution of state revenues for education in South Carolina school districts.

State support of public schools in South Carolina is distrib-

uted to local districts through a number of funds, including a teachers' salary fund, which constitutes about 70 percent of state support, a fully state-funded pupil transportation program and about 14 other smaller categorical programs. The net effect of this distribution mechanism is to provide approximately equal dollars per child to all school districts regardless of fiscal capacity, local effort, income, and educational need. The result is that local revenue disparities -- which have been shown to be the result of both wealth inequalities and racial discrimination -- are not compensated for by state revenues. Rather, as Table 2.7 demonstrates, they are perpetuated by the system of distribution of state revenues.

Table 2.7

White Enrollment and State-Local Revenues per ADA
in South Carolina School Districts
in the 1974-75 School Year

Quintile of Percent White Enrollment	Local Revenues Per ADA	State Revenues** Per ADA	Total State-Local Revenues Per ADA
Predominantly White	$342	$464	$806
Majority White	279	465	744
Racially Balanced	230	467	696
Majority Black	209	460	669
Predominantly Black	153	450	602
State Average	273*	467*	740*

* State Averages equal sums of revenues for all districts divided by State ADA. (Average of District Averages are: Local Revenue Per ADA: $242; State Revenue Per ADA: $460; Total State-Local Revenue Per ADA: $702.)

**State Revenues excluded Transportation, School Building Fund, and Vocational Education -- Construction and Equipment.

During the 1974-75 school year, each of the quintiles in white enrollment received, on average, approximately the same amount of state revenue per ADA. None of the quintiles differed substantially from the state average, although the average of the most heavily black group was slightly below the others. In terms of total state-local revenue per ADA, however, the most heavily black districts remained considerably below those with higher proportions of white students. On average, predominantly-white districts had about one-and-one-third times the average revenues per ADA of predominantly-black districts. Furthermore, through the addition of state aid, the absolute dollar gap between predominantly-black and predominantly-white districts was actually widened slightly -- from $189 for local revenues per ADA alone to $204 for total state-local revenues per ADA. In short, until the most recent year the state revenue system of distributing education funds has not alleviated the problem of locally-based revenue disparities and may even have contributed somewhat to it.

State-Local Revenues in South Carolina School Districts Over Time: 1969-70 to 1974-75

When state-local revenues are viewed over time, it is apparent that the flat grant approach to state revenue distribution has actually worsened the position of majority-black and predominantly-black districts relative to predominantly-white districts. Table 2.8, which compares total state-local revenues per ADA in 1969-70 and 1974-75, documents this quite clearly. (For further information about state-local revenues per ADA and a comparison of state-local revenues by quintile of white enrollment, see Appendix H, Table 4.)

Table 2.8

White Enrollment and Changes in State-Local Revenues Per ADA in South Carolina School Districts, 1969-70 to 1974-75

Quintile of Percent White Enrollment	State-Local Revenues Per ADA, 1974-75	State-Local Revenues Per ADA, 1969-70	Change in State-Local Revenues Per ADA, 1969-70 to 1974-75
Predominantly White	$806	$450	+ $356
Majority White	744	448	+ 296
Racially Balanced	696	430	+ 266
Majority Black	669	392	+ 277
Predominantly Black	602	356	+ 246
State Average	740	431	+ 309

At the beginning of major desegregation in 1969-70, state-local revenues per ADA in predominantly-white districts were approximately one-and-one-fourth times those in predominantly-black districts. In dollar terms, less than $100 per ADA separated the two groups. Between 1969-70 and 1974-75, however, the growth in revenues among the groups differed substantially; the predominantly-white group increased by $356 per ADA, or by about one-and-one-half times the $246 per ADA of the predominantly-black group. Thus, by 1974-75, state-local revenues per ADA in the former group were now about one-and-one-third times those in the latter, and the absolute dollar gap had increased to over $200 per ADA.

The major area of differential growth was, of course, in the area of local revenues, as the previous section demonstrated.

State revenues, in contrast, increased, on average, fairly uniformly across the different racial groups. However, the effect of this uniform increase was to preclude the possibility of reducing total revenue disparities, since state revenues did not overcome the differences which were locally derived. In consequence, by the end of the five-year period from 1969-70 to 1947-75, the total gap in revenues between predominantly-black and predominantly-white districts had doubled.

Total Revenues in South Carolina School Districts in the 1974-75 School Year

Federal funds are the third source of local district revenues. During the 1974-75 school year, these constituted about 12.5 percent of district revenues, on average statewide, although the proportions varied substantially from district to district. In general, these revenues were considerably higher in low income districts,[4/] which in South Carolina also tended to be the majority-black and predominantly-black districts. They thus operated to reduce the resource disparity between black and white districts by bringing the latter up to the resource levels of the former group. This can be seen in Table 2.9.

4/ The bulk of federal revenues excluding U.S.D.A. funds were Title I, which were specifically targeted to low-income children.

Table 2.9

White Enrollment and Total Revenues Per ADA
in South Carolina School Districts
in the 1974-75 School Year

Quintile of Percent White Enrollment	State-Local Revenues Per ADA	Federal Revenues* Per ADA	Total Revenues Per ADA
Predominantly White	$806	$ 66	$872
Majority White	744	82	827
Racially Balanced	696	127	823
Majority Black	669	130	799
Predominantly Black	602	202	804
State Average	740**	106**	846**

* Federal Revenues exclude U.S.D.A. revenues.
**State averages equal sum of revenues for state divided by state ADA.

In 1974-75 federal revenues of $202 per ADA in predominantly-black districts were approximately three times as high as the $66 per ADA in predominantly-white districts. With federal revenues included, the gap in resources between these groups had been reduced on average from $204 per ADA for state-local revenues alone to about $68 per ADA for total revenues. Predominantly-black districts now had levels of resources which were more nearly comparable to those in predominantly-white districts. However, federal resources for low income children under Title I were intended not as substitutes for resources which were not provided at the state and local levels, but as additions to them. In that context it is clear that the state government in South Carolina has not fulfilled

the intent of Congress in its use of federal revenues. It has used revenues from federal programs to make up for revenues which were not provided from local and state sources. Low income children residing in majority-black and predominantly-black districts have thus not received extra services from federal revenues. Rather, they have merely been brought to revenue levels which are nearly as high as (but still somewhat below) those enjoyed by children in predominantly-white districts.

Summary of Findings

The analysis presented in the preceding sections reveals that children in majority-black and predominantly-black school districts in South Carolina have been systematically denied access to a level of resources for education which is comparable to that enjoyed by children in majority-white districts in the period following desegregation. This discrimination in provision of resources has been practiced at both the local and state levels. At the local level, school boards and county councils in black districts have consistently maintained low tax rates, which in turn have produced low levels of local revenue. Over the course of the desegregation period the gap in tax rate and local revenues between predominantly-white and predominantly-black districts has grown substantially. The disparity in local revenues between these groups has been perpetuated at the state level by a distribution system which provides approximately equal dollars to all students in the state, but which even discriminates slightly in favor of high-white districts. Children in majority- and predominantly-black districts who face

the disadvantage of low property wealth and the discrimination which results in low tax rates thus obtain a lower level of state-local resources than children in predominantly-white districts. Finally, the state uses federal revenues in black districts as a substitute for funds which are not provided at the state and local levels. Federal revenues, which are designed to provide <u>additional</u> educational services to high-need children, thus bring majority-black districts up to total revenue levels which are still below those in majority-white districts.

Chapter II -- Underfunding: Individual Districts

Introduction

Local underfunding of the public schools in majority-black districts has been shown to be widespread and fairly systematic across the state of South Carolina. Aggregate analysis has shown a school district's tax rate to be strongly linked to the racial composition of the district. However, the aggregate patterns described previously give little indication of the extent of the "underfunding" in individual school districts. In fact, aggregate analysis may tend to reduce the magnitude of the differences, since the range between particular predominantly-white and predominantly-black districts is likely to be more extreme than the range among groups. Even within the group of predominantly-black districts there will be variation in the degree of underfunding, since historically racial discrimination may have been more prevalent in some districts than in others. It will be the objective of this chapter to describe the local finance patterns in districts where financial discrimination has been most clear-cut, so that the impact of "underfunding" on black children in these districts can be more clearly discerned.

Patterns of Underfunding

South Carolina school districts with large black populations manifest two patterns of "underfunding." One pattern can be classified as "historical underfunding." The second can be viewed as a "response to desegregation." In the former situation, desegregation per se did not provoke a substantial change in the behavior of local

fiscal authorities. Because of the small proportions of white students -- and perhaps because of the relative ease with which additional resources could be channeled to them -- local authorities tended to "underfund" the public schools even before they were desegregated. Tax rates were kept relatively low and local revenues were below those of other districts of comparable wealth. With the advent of desegregation, and the flight of many -- or most -- of the whites from the public schools, these trends tended to be exacerbated. Tax rates and local revenues have fallen further behind both the state averages and the levels in other districts.

In the second situation, "underfunding" appears to be more closely related to desegregation. In the pre-desegregation period, local tax rates and local revenues per pupil were either comparable to or higher than those in districts of relatively similar wealth. It may have been that, in the dual school system, the relatively high levels of resources were concentrated more heavily in the all-white schools, since this could be done relatively easily where whites constituted a fairly small proportion of the public school enrollment. However, intradistrict inequalities are beyond the scope of this study. Of relevance here is the fact that, as the schools began to be desegregated, patterns of "underfunding" began to emerge. In absolute terms tax rates remained fairly constant, but in relative terms they fell increasingly behind the averages for districts with comparable levels of property-wealth. Local revenue patterns showed the same trends. As revenues had to be directed towards black students, their level declined relative to more heavily-white districts.

Another form of discrimination which has been evidenced in majority- and predominantly-black school districts in South Carolina is really a variant of the first two, but with an added factor, namely, intra-county discrimination. In these situations, the funding pattern in the more heavily-black district(s) in a county has paralleled those described previously. Tax rates have been held at consistently low levels (or have shown a relative decline after desegregation) and local revenues have fallen further behind those in other districts. Even in the district with somewhat higher proportions of white students, there may be some evidence of "underfunding" according to the standards developed earlier, since these may still be districts with high proportions of black students. However, in comparison with the more heavily-black districts, these districts have been provided with higher resource levels. Local fiscal authorities have permitted higher tax rates which, in turn, have generated higher levels of local revenue.

A fairly large number of South Carolina districts manifest the above patterns of "underfunding." The most outstanding examples of "historical underfunding" include Williamsburg, McCormick and Edgefield Counties. Clarendon and Saluda Counties also manifest this pattern but with the additional factor of intra-county discrimination. Districts which have "underfunded" in response to desegregation include Allendale, Hampton 2 and Chester, among others. For purposes of exposition, however, only four examples of "underfunding" will be presented in the text of the report. These include: Williamsburg and Clarendon in the "historical underfunding" classification and Allendale and Saluda in the "response to desegregation" group. A description of the "under-

funding" patterns in the other counties can be found in the appendices to the report.

Historical Underfunding

Williamsburg County

-- Demography. Throughout the desegregation period, the public school population of Williamsburg County was predominantly black. Despite the outmigration of both large numbers of blacks and some whites during the 1960's, the black proportion remained fairly stable at around 72%. After desegregation, however, the decline in black enrollment began to taper off, while white public school enrollment dropped abruptly. In the one year between 1969-70 and 1970-71, the district lost nearly one-fourth of its 1969-70 white enrollment, and between 1969-70 and 1974-75, the decline was about 44%. By this last year, Williamsburg's white enrollment had dropped to less than 20% of the total enrollment in the district.

At the same time, the private school enrollment increased substantially. In 1965-66, for example, there were no white students in private schools in Williamsburg County, and in 1969-70 only about 6% of the white students were enrolled in private schools. However, in the single year 1969-70 to 1970-71, the proportion increased to nearly 25%. By 1974-75, it had risen to 32%. In short, the increase in white private school enrollment in Williamsburg County corresponded almost precisely in time with the decline in white enrollment in the public schools.

-- Fiscal Patterns. In its support of the public schools, Williamsburg County has consistently placed at or near the bottom among South Carolina school districts. Tax rates have consistently been well below the state average and local revenues have, throughout the entire period, been in the bottom fifth of South Caro-

lina school districts. In fact, tax rates in Williamsburg County have remained constant at 47 mills for the last ten years, and local revenues have increased by only about $36 per ADA since 1969-70. These figures, however, do not show how drastically Williamsburg's position relative to other districts has declined throughout the period. Table 3.1, which compares Williamsburg to districts of comparable property wealth, documents this more fully.

Table 3.1

Selected Local School Finance Statistics:
Williamsburg County and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Williams-burg	5th Quintile ASVAL/ADA*	Williams-burg	5th Quintile ASVAL/ADA*	Williams-burg	5th Quintile ASVAL/ADA*
1966-67	$738	$800	47 mills	50.6 mills	$37	$49
1969-70	1117	1005	47 "	65.6 "	51	75
1972-73	1591	1408	47 "	75.2 "	79	125
1974-75**	1900	1627**	47 "	78.6 "	87	144**

* ASVAL/ADA = Assessed Valuation per ADA.

** In 1974-75, Williamsburg was actually in the fourth quintile of assed valuation per ADA. However, for the purposes of consistency and comparability, figures from the fifth quintile were presented.

Williamsburg County has, through the 1966-67 period, remained in the lowest fifth of South Carolina school districts in property wealth per ADA. As a result of its low tax base, it would not be expected that Williamsburg would be able to raise high levels of local revenue. However, when compared with districts with similarly limited fiscal capacity, Williamsburg's local tax effort and local revenues have fallen well below district averages, and have shown consistent

relative declines over time.

In 1966-67, for example, the district's tax rate of 47 mills was about the state average and only 2.4 mills below the average of districts with comparable wealth; local revenues were only about $12 per ADA lower than the group average. By 1969-70, the tax rate gap had increased to about 18.5 mills and the revenue gap to about $24 per ADA. And, by 1974-75, the differences were 31.6 mills and $57 per ADA respectively. Or, to illustrate the decline in another way, in 1974-75 the difference in tax rate between other property-poor districts and Williamsburg was about nine times greater than the 1966-67 difference, and the revenue difference was greater by a factor of five.

Intra-County Discrimination: Clarendon County

-- Demography. The three school districts in Clarendon County provide substantially different public school enrollment profiles. Clarendon 1, one of the five districts involved in the original Brown decision of 1954, had already by 1962-63 a white enrollment of only about 11%. Throughout the 1960's, this proportion remained constant as the district continued to lose both white and black students at roughly comparable rates. Then in 1970-71, the year of major desegregation, the district lost virtually all of its remaining white students; since that time it has been a 100% black district.

Clarendon 2 presents a similar, but not quite as dramatic, picture of demographic change. During the 1960's, the proportion of whites was somewhat higher than in Clarendon 1, but also quite stable at around 28% as a result of modest declines in both black and white enrollments. A major decline in white enrollment also took place in 1970-71 (about one-fourth of the white students left the district in that year), but since then it has stabilized at around 23-24%.

Clarendon 3 presents a rather different picture. Throughout the 1960's, the district's enrollment was nearly racially balanced, with the white proportion fairly stable at 45-47%. Although a large percentage of whites left the system in 1970-71, black decline since that year has stabilized the white enrollment in the district at about 40%. In contrast with Clarendon 1 and 2, which are either predominantly-black or all-black, Clarendon 3 still contains a fairly sizeable white student population.

Private school enrollment trends in Clarendon County reflect the demographic changes in the county's public schools. The major increase in private school enrollment occurred at the same time that large numbers of whites left the public schools, particularly in Clarendon 1 and 2. In 1969-70, for example, only about 17% of the whites in the county were enrolled in private schools. However, in the year between 1969-70 and 1970-71, when nearly all of the whites left Clarendon 1, the proportion rose to about 49%. It continued to rise throughout the post-desegregation period to its 56% level in 1974-75.

-- Fiscal Patterns. The patterns of local funding in these three Clarendon districts strongly reflect the different racial make-up of the student population, with Clarendon 3, the most heavily white district, most favored in its tax rate and local revenues per ADA. Table 3.2, which compares tax rates and revenues over the last decade, demonstrates this quite clearly.

Table 3.2

Tax Rates and Local Revenues Per ADA
in Clarendon County School Districts
in Selected Years: 1966-67 to 1974-75

Year	Tax Rates			Local Revenues Per ADA		
	Clarendon 1	Clarendon 2	Clarendon 3	Clarendon 1	Clarendon 2	Clarendon 3
1966-67	40 mills	35 mills	57 mills	$ 20	$ 28	$ 34
1969-70	60 "	50 "	76 "	37	55	56
1972-73	29 "	31 "	47 "	54	86	145
1974-75	46 "	42 "	85 "	80	90	125

In each of the years between 1966-67 and 1974-75, the tax rate in Clarendon 3 was well above those in the other two Clarendon districts. While the latter two districts have throughout most of the period been in the bottom fifth in tax rate among South Carolina school districts, Clarendon 3 has consistently been in the middle group, and in a number of years has actually been in the top two groups. In comparison with Clarendon 1 -- whose property wealth throughout the period has been roughly comparable to that in Clarendon 3 -- the gap in tax rate has grown substantially during the desegregation period -- from about 16 mills in 1969-70, to nearly 40 mills in 1974-75. By 1974-75, the tax rate in Clarendon 3 was nearly twice as high as the tax rate in Clarendon 1.

The impact of these tax differences on local revenues has been considerable. Again, using Clarendon 1 and 3 for purposes of comparison, it is apparent how the gap in local revenues per ADA has grown during the desegregation period. In 1966-67, the gap between the two districts was only about $14 per ADA, and in 1969-70, $19 per ADA.

By 1972-73, however, it had grown to $91 per ADA; Clarendon 3 was raising nearly three times as much revenue locally as Clarendon 1. And in the most recent year, the gap had only been slightly reduced. The discrimination in favor of the most heavily white district in the county is thus readily apparent.

The question remains, however, whether these patterns constitute a case of "underfunding". Despite the relative financial advantages provided Clarendon 3, local revenues per ADA have grown -- although rather moderately -- in Clarendon 1 and 2. It could thus be argued that these districts are no worse off now -- and that they might be relatively better off than they were previously. The evidence strongly refutes this contention. Rather, the analysis shows a considerable decline in the local revenue position of these two districts. Tables 3.3 and 3.4, which compare Clarendon 1 and 2 with districts of comparable property wealth, document this decline.

Table 3.3

Selected Local School Finance Statistics:
Clarendon 1 and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Clarendon 1	5th Quintile ASVAL/ADA*	Clarendon 1	5th Quintile ASVAL/ADA*	Clarendon 1	5th Quintile ASVAL/ADA*
1966-67	$ 444	$ 800	40 mills	50.6 mills	$ 20	$ 49
1969-70	623	1005	60 "	65.6 "	37	75
1974-75	1760	1627	46 "	78.6 "	80	144

* ASVAL/ADA = Assessed Valuation Per ADA.

Table 3.4

Selected Local School Finance Statistics:
Clarendon 2 and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Clarendon 2	Average of 4th and 5th Quintiles of ASVAL/ADA*	Clarendon 2	Average of 4th and 5th Quintiles of ASVAL/ADA*	Clarendon 2	Average of 4th and 5th Quintiles of ASVAL/ADA*
1966-67	$ 801	$ 997	35 mills	49.1 mills	$ 28	$ 61
1969-70	1086	1228	50 "	68.2 "	55	96
1974-75	2232	1870	42 "	81.7 "	90	169

* ASVAL/ADA = Assessed Valuation Per ADA.

Clarendon 1 and 2 are among the few South Carolina school districts to show an absolute decline in tax rate in the post-desegregation period. In Clarendon 1, the drop was about 14 mills and in Clarendon 2 about eight mills, between 1969-70 and 1974-75. The gap in tax effort between these districts and others of comparable wealth therefore widened considerably. For Clarendon 1, a 5.6 mill gap in 1969-70 increased to 32.6 mills by 1974-75, and for Clarendon 2 an 18.2 mill gap had increased to a 29.7 mill gap over the same time period.

The local revenue patterns for the two districts showed the same trends. Despite increases in assessed valuation per ADA in the two districts which substantially raised their standing relative to quintile averages, lower tax rates -- both absolute and relative -- lower the districts' standing in local revenues. For Clarendon 1, a $19 per ADA deficit in 1966-67 increased to $38 per ADA in 1969-70, and $64 in 1974-75. For Clarendon 2, which, because of an upward

change in its quintile ranking on property wealth, was compared with a combined quintile average, the gap increased from $33 per ADA in 1966-67 to $41 per ADA in 1969-70 to $79 in 1974-75.

For Clarendon 3, local revenues have fallen off slightly during the 1969-70 to 1974-75 period as well. However, as Table 3.5 demonstrates, the decline would appear to be more related to lower levels of assessed valuation than to lower tax effort.

Table 3.5

Selected Local School Finance Statistics:
Clarendon 3 and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Clarendon 3	Average of 4th and 5th Quintiles of ASVAL/ADA*	Clarendon 3	Average of 4th and 5th Quintiles of ASVAL/ADA*	Clarendon 3	Average of 4th and 5th Quintiles of ASVAL/ADA*
1966-67	$ 597	$ 997	57 mills	49.1 mills	$ 32	$ 61
1969-70	776	1228	76 "	68.2 "	57	96
1974-75	1838	1870	85 "	81.7 "	125	169

* ASVAL/ADA = Assessed Valuation Per ADA.

Throughout the entire 1966-67 to 1974-75 period, the tax rate in Clarendon 3 has consistently been at or above the average for districts of comparable property wealth. However, because property valuations have been somewhat lower than quintile averages, local revenues per ADA have also fallen slightly short of quintile revenues -- $27 per ADA in 1966-67 and $44 per ADA in 1974-75. In contrast with Clarendon 1 and 2, where the decline in tax rate was the major factor in the revenue decline, and where racial discrimination appeared to be a potentially motivating force, the decline in Clarendon 3 seems to

result from more exogenous factors. The three districts thus present a fairly striking picture not only of "underfunding" in overwhelmingly black districts, but of intra-county discrimination as well, since the same fiscal authority has made the local tax and revenue decisions for all three school districts.

Post-Desegregation Underfunding

Allendale County

-- Demography. Throughout the 1960's, the public school population of Allendale County was predominantly black, but the white population was fairly stable at just over 30%. Moderate white enrollment decline -- about 12% between 1962-63 and 1969-70 -- was counterbalanced by roughly comparable black enrollment decline -- about 14.6% during the same period. However, between 1969-70 and 1970-71, the year of major desegregation in the county, the demographic makeup of schools changed dramatically. In the single year, the proportion of whites dropped from 31% to 23%, as nearly one-third of the white students left the public schools. By 1974-75 the white decline amounted to about 42% of the county's 1969-70 white enrollment.

At the same time, Allendale's white private school enrollment increased sharply -- from 0 in 1965-66 to about 33% of the county's white enrollment in 1974-75. The major change took place, however, in the single year between 1969-70 and 1970-71 when the white private school enrollment rose from 0 to 27.5%, the year of major desegregation in the county.

-- Fiscal Patterns. The patterns of public school support in Allendale County strongly correspond with the patterns of demographic change described above. In the pre-desegregation period, the county was relatively high in comparison with other districts. In 1966-67, for example, its tax rate was in the second quintile when districts were ranked on tax rate, and, because of its average property wealth, local revenues were in the third quintile. By 1969-70, it had dropped to the fourth quintile in tax rate, and by 1974-75 it had dropped into the lowest group of districts in tax effort. Local revenues per ADA also dropped into the fourth quintile by 1974-75. In comparison with districts of comparable property wealth, the same patterns appeared. Table 3.6 which compares Allendale with districts in the third quintile in assessed valuation per ADA, documents the county's decline.

Table 3.6

Selected Local School Finance Statistics:
Allendale County and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Allendale	3rd Quintile ASVAL/ADA*	Allendale	3rd Quintile ASVAL/ADA*	Allendale	3rd Quintile ASVAL/ADA*
1966-67	$1647	$1523	56 mills	43.7 mills	$ 92	$ 88
1969-70	1939	1832	61 "	62.5 "	115	130
1972-73	2558	2337	64 "	68.0 "	162	181
1974-75	2651	2628	65 "	78.8 "	177	231

* ASVAL/ADA = Assessed Valuation Per ADA.

In comparing Allendale County with other districts of comparable wealth, in the period between 1966-67 and 1974-75 it is apparent that

a major change occurred in its support of the public schools around the time of desegregation. Although the county has consistently been slightly above the quintile average in assessed valuation per ADA, its tax rate and local revenues showed a marked shift around 1969-70. Up until that time, Allendale was substantially above the quintile average in tax effort and at the quintile average in local revenues. By 1969-70, a relative decline had already set in, but the county was still at or close to the quintile average. After desegregation, it was well below it. By 1974-75, the tax rate was 13.8 mills below the quintile average; local revenues were about $54 below it as well. In summary, local funding of the public schools in Allendale County strongly corresponds with the "underfunding" pattern.

Intra-County Discrimination: Saluda County

-- Demography. The public school enrollment patterns in Saluda County are rather different from those described previously, but nonetheless indicate substantial "white flight" -- in this case to a separate school district. Throughout the 1960's, the racial enrollment in the district remained fairly stable at about 60% white and 40% black, as there was little enrollment change for both racial groups. Even after desegregation was implemented throughout South Carolina, white enrollment in the district did not decline substantially; white enrollment of 57.9% in 1971-72 compared quite well with the 60.1% in 1969-70.

Then in 1972-73, a separate school district, Hollywood, was carved out of the Saluda district and established as an independent school authority. When this occurred, nearly one-third of the white students in Saluda left the district for the new, predominantly white (84%) Hollywood district, and the white enrollment in Saluda dropped

to 50%, where it remained for the 1972-73 and 1973-74 school years. With a court-ordered re-consolidation of the two districts in 1974-75, the white enrollment of the district rose to about 55%, but all of the whites in the Hollywood district did not return to Saluda.

Many of the whites in the Saluda district clearly enrolled in private schools, as the private school enrollment figures rose substantially during this period. In 1969-70 there were no whites enrolled in private schools in the county. However, by 1974-75 the proportion of whites in private schools had increased to about 21%. In absolute numbers, the increase corresponded fairly closely with the white decline in the public schools.

-- Fiscal Patterns. The fiscal patterns in Saluda indicate that the tendency toward underfunding which was already present in the pre-desegregation period was strengthened post-desegregation. In 1966-67, for example, the district's tax rate of 44 mills was in the next-to-last (fourth) quintile among South Carolina school districts. By 1971-72, however, the small increase of eight mills had dropped it down to the bottom group, since other districts increased their tax rates by much larger amounts. Since 1971-72, the district has remained in the bottom group, as its tax rate has only increased to 54 mills in the 1971-72 to 1974-75 period. On the local revenue side, the picture is quite similar. From the second quintile in local revenues per ADA in 1966-67, the district dropped to the lowest quintile by 1971-72, where it has remained since that time.

In comparison with districts of comparable property wealth, the "underfunding" pattern again emerges. This is documented in Table 3.7.

Table 3.7

Selected Local School Finance Statistics:
Saluda County and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Saluda	4th Quintile ASVAL/ADA*	Saluda	4th Quintile ASVAL/ADA*	Saluda	4th Quintile ASVAL/ADA*
1966-67	$1224	$1194	44 mills	47.6 mills	$ 98	$ 72
1971-72	1924	1735	52 "	77.1 "	111	150
1974-75	1966	2112	54 "	84.7 "	147	194

* ASVAL/ADA = Assessed Valuation Per ADA.

During the last years of the pre-desegregation period, Saluda compared favorably with districts of comparable wealth. In 1966-67, for example, a tax rate which was only 3.6 mills lower than the quintile average produced about $26 per ADA more on a slightly higher tax base. By 1971-72, however, the district was about 25 mills lower in tax effort and $39 per ADA lower in local revenues per ADA than districts of comparable wealth. And by 1974-75, the gaps had reached 31 mills and $47 per ADA on the respective measures.

Further evidence of "underfunding" is suggested by a comparison of the Saluda and Hollywood districts during the two years of the latter's existence. With the County Commission exercising fiscal control over both districts, it is apparent that the more heavily black Saluda district was discriminated against in the provision of local resources. Table 3.8 compares the two districts in the 1972-73 and 1973-74 school years.

Table 3.8

Selected Local School Finance Statistics:
Saluda and Hollywood -- 1972-73 and 1973-74

	Saluda	Hollywood
Assessed Valuation Per ADA		
1972-73	$2197	$1664
1973-74	2419	1643
Tax Rate		
1972-73	52 mills	98 mills
1973-74	52 "	98 "
Local Revenues		
1972-73	$ 119	$ 248*
1973-74	146	205

* Includes an additional "appropriation" of $77 per ADA.

In both 1972-73 and 1973-74, the tax rate in the overwhelmingly white Hollywood district was nearly twice the rate in Saluda. To some extent, a slightly higher tax rate might be justified, since property wealth in Saluda was between one-and-one-fourth and one-and-one-half times the property wealth in Hollywood in each of the two years. However, the magnitude of the tax rate difference resulted in a substantial local revenue disparity between the two districts. In 1972-73, the Hollywood district had a $52 per ADA advantage from property taxes and other miscellaneous revenues alone, plus an extra appropriation of about $77 per ADA, which brought the gap between the two districts to $129 per ADA. Even without the additional appropriation in 1973-74, local revenues were about $59 per ADA higher in Hollywood than in Saluda, thus strongly suggesting a pattern of discrimination against the more heavily black Saluda district.

Summary of Findings

The preceding discussion has demonstrated that "underfunding" of the public schools has been practiced in a number of South Carolina school districts and has taken a variety of forms. In districts such as Williamsburg and Clarendon, there is evidence of "underfunding" in both the pre- and post-desegregation periods. In other districts such as Allendale and Saluda, patterns of "underfunding" appear to be related to the desegregation of the district. And in both of these groups there is also evidence of intra-county discrimination. In Clarendon and Saluda, where the same fiscal authority had jurisdiction over two or more districts within the county, districts with more heavily-white student populations were favored over more heavily-black districts in the provision of local resources for education.

Summary and Recommendations

The report has demonstrated that local support of the public schools in predominantly-black school districts in South Carolina has fallen substantially behind local support levels in districts with higher proportions of white students since the public schools were desegregated in the 1969-70 school year. In particular, district support levels have been so low that all children in these districts -- both white and black -- have been afforded less educational opportunity than children in districts where whites make up a larger proportion of the public school enrollment.

Two factors have contributed to lower support levels in these predominantly-black school districts. First, many of these districts are poor in property wealth, measured by assessed valuation per pupil. Consequently, the tax base is inadequate to support a high level of support for public education, even if the school district exerted above-average tax effort. The existing system of state support, which does not equalize access to educational revenues, does little to alleviate the revenue problems of property-poor districts.

Second, fiscal authorities in many heavily-black school districts have kept school tax rates well below average levels, particularly since desegregation, when large numbers of white students left the public schools for private segregated academies. Since many of these districts had appointed school boards which were fiscally dependent on county officials who had children in the private schools, there was little possibility for increasing local effort for public education.

The present time, however, offers the opportunity for rectifying many of the finance problems of the past. In June 1977 the South Carolina General Assembly passed the 1977 School Finance Act, which provides a foundation level of support for children in every school district in the state. It does this by providing greater amounts of state aid to property-poor school districts. If fully funded, many of the state's predominantly-black school districts which are poor in property wealth will receive substantial increases in their state aid and will be able to provide better educational opportunities for all children in these districts.

However, in order to participate in the state's new program, all school districts will be required to exert at least a minimum local tax effort so that they can meet their required local share. In some school districts, this may necessitate an increase in the district's school tax rate, since present rates are well below the levels needed to provide this level of revenues. However, this increase will not only produce substantially new local revenues, but will also result in significantly new state revenues as well.

To provide more equal educational opportunity to all children in the state of South Carolina, two major actions are required at the present time. First, the South Carolina General Assembly should appropriate the full amount required to meet its first-year phase-in share of the state's new minimum foundation program, and continue to meet its share of the program until the new program is fully funded at the end of the five-year phase-in period. Second, local school districts should make the tax effort that is needed to meet their required local share of the new program. The gains which

can be made for the education of all children in South Carolina if these actions are taken are considerable. Without them, many of the existing problems described in this report will be perpetuated in the future.

Appendix A

Definition of Terms

Property Wealth (Fiscal Capacity). In this study property wealth and fiscal capacity are used interchangeably. District property wealth is measured by the district's assessed valuation per student in average daily attendance (ADA).

Tax Rate. Tax rates discussed in this study are stated district tax rates for current operations. Tax rates for capital expenditures are excluded from the analysis.

Local Revenues Per ADA. Local revenues per pupil include all revenues received by local districts for current operating expenses. These include: property tax levies; delinquent and other taxes; tuition from patrons; appropriations; and other local receipts. Levies for debt services are excluded from the analysis.

State Revenues Per ADA. State revenues to the local districts include all state receipts except: school bus drivers' salaries; state school building fund; and vocational education construction and equipment fund.

Federal Revenues Per ADA. Federal revenues per ADA include all federal receipts except U.S. Department of Agriculture reimbursements.

Per Capita Income. Income data from South Carolina school districts are 1969 data drawn from the U.S. Bureau of the Census.

Local Fiscal Authorities. Fiscal decisions in South Carolina school districts are made by a variety of governing bodies. In most of the independent school districts, district or county boards of education are the local authorities with the responsibility for budget preparation and approval and approval of changes in tax rate.

In dependent school districts, different fiscal decisions are made by a number of local authorities, including county legislative delegations and county councils. Many districts -- both independent and dependent -- also require referendum approval of changes in tax rate.

For purposes of discussion, all of the above decision-making structures will be encompassed by the term "local fiscal authorities". Where appropriate, discussions of individual districts will specify the particular arrangements which are found therein.

Some Methodological Considerations

This longitudinal study of local fiscal behavior of South Carolina school districts was constrained by a number of methodological problems. These included:

1. Unequalized Property Valuations and Tax Rates. Equalized property valuations were first developed for South Carolina school districts during the 1973-74 school year. In previous years, they were not available and could not be readily calculated. Consequently, for comparability purposes, unequalized valuations had to be used throughout the entire period. However, analysis of the relationship between the equalized and unequalized valuations in the most recent year revealed that the two measures were highly correlated.[1/] Unequalized valuations may therefore serve as a reasonable measure of wealth for the entire 1965-66 to 1974-75 period, and unequalized tax rates may also serve as a reasonable measure of effective tax effort.

2. The Period of Desegregation. For the purpose of the study, 1970-71 was defined as the year of major desegregation in South Carolina, although some desegregation did take place before and after this year. An examination of changes in white enrollment patterns, however, validates the use of this year as the division between the pre- and post-desegregation periods, since in most majority-black districts the major decline in white public school enrollment took place between 1969-70 and 1970-71.

1/ The correlation between 1973-74 stated assessed valuations and equalized valuations developed by the National Conference of State Legislatures was +.5287.

3. Consolidation and Separation of Districts. In some South Carolina countries, school district consolidation separation took place during the period of the analysis. For example, Calhoun 1 and 2 were consolidated in 1974-75. Also, the Hollywood district was created from the Saluda district in 1972-73, but was forced back into Saluda by court order in 1974-75. For the purpose of the longitudinal analysis, however, both sets of districts were considered as single units throughout the 1965-66 to 1974-75 period. In other districts such as Bamberg and Richland, where some district consolidation took place inthe late 1960's, similar procedures were used.

4. Source of Data. All data used in this report were taken from reports and publications of South Carolina State Department of Education. These sources included the Annual Reports of the State Superintendent of Education, 1962-63 to 1974-75 and RANKINGS of the Counties and School Districts of South Carolina, 1973-74 and 1974-75. Computations and analyses were done on these data at the School Finance Project of the Lawyers Committee for Civil Rights Under Law, Washington, D.C. 20005.

Appendix B, Table 1

Quintiles of Percent White Enrollment: 1974-75

First Quintile: Predominantly White		Second Quintile: Majority White		Third Quintile: Racially Balanced		Fourth Quintile: Majority Black		Fifth Quintile: Predominantly Black	
District	Percent White Enrollment	District	Percent White Enrollment	District	Percent White Enrollment	District	Percent White Enrollment	District	Percent White Enrollment
Lexington 5	92.3%	Spartanburg 5	73.4%	Spartanburg 7	59.6%	Orangeburg 8	43.4%	Dorchester 1	27.4%
Lexington 1	91.4	Anderson 3	73.4	Kershaw	59.6	Beaufort	43.0	Marion 4	27.0
Pickens	89.5	Spartanburg 4	73.0	Barnwell 45	59.6	Marion 1	42.9	Clarendon 2	24.1
Lexington 2	89.0	Cherokee	71.8	Chesterfield	59.1	Dillon 1	42.7	Fairfield	22.3
Oconee	88.0	Lancaster	70.4	Laurens 55	59.0	Orangeburg 6	42.4	Jasper	21.9
Anderson 1	86.9	Florence 5	69.6	Florence 1	58.5	Clarendon 3	41.4	Allendale	21.7
York 4	86.6	Aiken	68.5	Newberry	55.6	Sumter 2	41.2	Williamsburg	19.9
Spartanburg 6	84.7	York 3	67.5	Saluda	55.4	Georgetown	40.0	Florence 4	19.1
Spartanburg 2	84.6	Anderson 4	67.2	Abbeville	53.7	Florence 3	39.8	Orangeburg 3	16.4
Richland 2	81.1	Horry	66.6	Charleston	50.6	Richland 1	39.8	McCormick	16.3
Spartanburg 1	80.5	Lexington 4	66.3	Florence 2	49.4	Barnwell 19	39.1	Bamberg 2	16.2
Dorchester 2	79.5	Greenwood 52	65.9	Dillon 2	48.7	Bamberg 1	38.9	Hampton 2	15.3
Spartanburg 3	78.4	Berkeley	65.5	Hampton 1	48.4	Marion 2	38.4	Lee	15.1
Greenwood 51	77.2	Greenwood 50	63.8	Barnwell 29	48.1	Colleton	37.5	Marion 3	14.6
Greenville	76.5	York 1	62.4	Sumter 17	47.9	Orangeburg 1	35.0	Orangeburg 7	13.1
Anderson 5	75.7	Lexington 3	62.3	Chester	47.7	Dorchester 3	32.4	Orangeburg 2	12.5
Anderson 2	75.5	Laurens 56	61.9	Orangeburg 4	47.6	Orangeburg 5	28.1	Calhoun	11.1
York 2	73.6	Union	60.8	Dillon 3	47.5	Edgefield	28.0	Clarendon 1	0.3
				Darlington	47.4				
				Marlboro	44.2				
Quintile Average	82.8%	Quintile Average	67.2%	Quintile Average	52.4%	Quintile Average	38.6%	Quintile Average	17.5%

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Appendix B. Table 2

Quintiles of Percent White Enrollment: 1969-70

First Quintile: Predominantly White		Second Quintile: Majority White		Third Quintile: Racially Balanced		Fourth Quintile: Majority Black		Fifth Quintile: Predominantly Black	
District	Percent White Enrollment		Percent White Enrollment		Percent White Enrollment		Percent White Enrollment		Percent White Enrollment
Pickens	88.4%	Spartanburg 5	72.5%	Saluda	60.1%	Barnwell 29	46.9%	Dorchester 1	32.3%
Oconee	88.3	Cherokee	71.9	Kershaw	59.3	Clarendon 3	46.7	Edgefield	32.1
Lexington 1	87.8	Anderson 3	71.1	Florence 1	59.2	Beaufort	45.5	Allendale	30.8
Lexington 2	87.7	Aiken	70.4	Chesterfield	58.9	Sumter 2	45.5	Florence 4	30.0
Richland 2	84.3	York 2	69.3	Barnwell 45	57.9	Bamberg 1	44.0	Marion 3	28.9
Lexington 5	84.2	Lancaster	68.5	Abbeville	57.9	Barnwell 19	43.4	Fairfield	28.5
Spartanburg 6	83.8	Florence 5	68.2	Lexington 4	57.2	Orangeburg 1	43.3	Williamsburg	28.4
Anderson 1	83.8	York 3	68.1	Newberry	56.4	Orangeburg 6	43.1	Clarendon 2	28.3
York 4	82.4	Anderson 4	67.8	Laurens 55	55.9	Dorchester 3	43.1	McCormick	27.5
Spartanburg 2	79.1	Laurens 56	65.9	Sumter 17	55.1	Orangeburg 8	43.0	Orangeburg 7	27.5
Greenwood 51	79.1	Horry	65.9	Charleston	54.9	Florence 3	42.9	Lee	26.8
Spartanburg 1	79.0	Spartanburg 7	65.9	Richland 1	53.5	Orangeburg 5	42.8	Bamberg 2	26.6
Greenville	78.9	Greenwood 52	65.1	Orangeburg 4	51.7	Marion 1	41.8	Orangeburg 2	25.7
Anderson 5	77.8	Greenwood 50	64.9	Florence 2	51.7	Dillon 1	41.8	Calhoun*	23.0
Anderson 2	77.3	Lexington 3	63.9	Chester	50.9	Marion 2	40.5	Hampton 2	20.3
Spartanburg 3	76.7	Berkeley	63.2	Dillon 3	50.8	Colleton	40.5	Orangeburg 3	17.1
Spartanburg 4	74.2	York 1	62.7	Darlington	50.0	Georgetown	40.4	Marion 4	15.8
Dorchester 2	72.8	Union	62.1	Dillon 2	49.8	Jasper	35.4	Clarendon 1	11.5
				Hampton 1	49.2				
				Marlboro	47.2				
Quintile Average	81.4%	Quintile Average	67.1%	Quintile Average	54.4%	Quintile Average	42.8%	Quintile Average	25.6%

* Calhoun 1 and 2 are considered as a consolidated district in the analysis.

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Appendix B, Table 3

Quintiles of Percent White Enrollment: 1965-66

First Quintile: Predominantly White		Second Quintile: Majority White		Third Quintile: Racially Balanced		Fourth Quintile: Majority Black		Fifth Quintile: Predominantly Black	
District	Percent White Enrollment	District	Percent White Enrollment	District	Percent White Enrollment	District	Percent White Enrollment	District	Percent White Enrollment
Pickens	88.5%	Lexington 5	70.5%	Abbeville	59.7%	Orangeburg 4	46.9%	Jasper	32.8%
Oconee	86.7	Aiken	69.3	Lexington 4	59.6	Clarendon 3	45.3	Edgefield	32.2
Lexington 1	86.2	Anderson 3	68.8	Florence 5	58.3	Barnwell 29	44.6	Florence 4	32.0
Lexington 2	85.8	Anderson 4	67.7	Barnwell 45	58.2	Florence 3	44.2	Fairfield	31.8
Richland 2	83.6	Lancaster	67.7	Florence 1	57.5	Barnwell 19	44.0	Allendale	31.7
Anderson 1	83.6	York 2	67.6	Chesterfield	57.0	Marion 1	43.5	Bamberg 2	31.2
Spartanburg 6	81.6	Laurens 56	66.9	Newberry	56.7	Orangeburg 5	43.2	Marion 4	30.1
Greenwood 51	80.0	Spartanburg 7	66.9	Sumter 17	56.6	Bamberg 1	43.1	McCormick	28.5
Spartanburg 1	79.5	York 3	66.8	Richland 1	56.6	Beaufort	42.2	Williamsburg	27.7
York 4	78.5	Horry	65.7	Kershaw	56.3	Dorchester 3	41.8	Clarendon 2	27.4
Greenville	77.9	Grennwood 50	65.6	Charleston	55.0	Georgetown	41.2	Lee	27.3
Anderson 5	77.7	Lexington 3	64.4	Berkeley	53.9	Orangeburg 6	40.9	Orangeburg 7	26.9
Spartanburg 3	77.3	Greenwood 52	63.7	Chester	52.9	Marion 2	40.9	Marion 3	26.7
Anderson 2	76.1	Dorchester 2	63.1	Dillon 3	50.6	Sumter 2	40.9	Calhoun*	25.1
Spartanburg 2	74.2	York 1	62.8	Dillon 2	50.6	Dillon 1	40.3	Orangeburg 2	22.3
Spartanburg 4	72.4	Laurens 55	60.0	Hampton 1	50.0	Colleton	39.8	Hampton 2	21.4
Cherokee	72.1	Union	59.9	Darlington	48.6	Orangeburg 8	37.1	Orangeburg 3	16.0
Spartanburg 5	71.9	Saluda	59.7	Orangeburg 1	48.4	Dorchester 1	34.0	Clarendon 1	11.5
				Florence 2	47.3				
				Marlboro	47.1				
Quintile Average:	79.6%	Quintile Average	65.4%	Quintile Average	54.0%	Quintile Average	41.9%	Quintile Average	26.8%

* Calhoun 1 and 2 are considered as a consolidated district for the purpose of the analysis.

Appendix B. Table 4

Change in White Public School Enrollment
in South Carolina School Districts: 1969-70 to 1974-75*

First Quintile: Predominantly White		Second Quintile: Majority White		Third Quintile: Racially Balanced		Fourth Quintile: Majority Black		Fifth Quintile: Predominantly Black	
District	Percent Change	District	Percent Change	District	Percent Change	District	Percent Change	District	Percent Change
Lexington 5	+117.1%	Spartanburg 5	+ 10.4%	Spartanburg 7	- 23.4%	Orangeburg 8	- 10.7%	Dorchester 1	- 23.0%
Lexington 1	+ 41.2	Anderson 3	+ 14.3	Kershaw	- 6.9	Beaufort	- 15.3	Marion 4	- 14.1*
Pickens	+ 3.3	Spartanburg 4	- 6.8	Barnwell 45	- 0.1	Marion 1	- 9.0	Clarendon 2	- 28.7
Lexington 2	+ 5.1	Cherokee	- 1.7	Chesterfield	- 3.6	Dillon 1	- 24.7	Fairfield	- 33.6
Oconee	- 1.6	Lancaster	- 1.1	Laurens 55	- 3.9	Orangeburg 6	- 4.5	Jasper	- 47.7
Anderson 1	+ 12.1	Florence 5	+ 0.7	Florence 1	- 5.2	Clarendon 3	- 35.6	Allendale	- 42.1
York 4	+ 13.7	Aiken	- 11.4	Newberry	- 3.4	Sumter 2	- 18.3	Williamsburg	- 44.1
Spartanburg 6	+ 12.8	York 3	- 6.7	Saluda	- 20.4	Georgetown	- 13.4	Florence 4	- 48.2
Spartanburg 2	+ 29.4	Anderson 4	+ 1.1	Abbeville	- 18.7	Florence 3	- 15.9	Orangeburg 3	- 13.5
Richland 2	+ 9.6	Horry	- 0.4	Charleston	- 18.1	Richland 1	- 39.8	McCormick	- 50.6
Spartanburg 1	+ 0.3	Lexington 4	+ 41.9	Florence 2	- 20.8	Barnwell 19	- 6.5	Bamberg 2	- 51.0
Dorchester 2	+ 49.3	Greenwood 52	+ 12.0	Dillon 2	- 9.9	Bamberg 1	- 14.6	Hampton 2	- 36.7
Spartanburg 3	+ 2.7	Berkeley	+ 10.1	Hampton 1	- 9.7	Marion 2	- 22.0	Lee	- 59.5
Greenwood 51	- 15.6	Greenwood 50	- 8.7	Barnwell 29	- 20.4	Colleton	- 19.5	Marion 3	- 62.2
Greenville	- 8.7	York 1	- 7.8	Sumter 17	- 23.9	Orangeburg 1	- 33.6	Orangeburg 7	- 57.7
Anderson 5	- 8.2	Lexington 3	- 5.2	Chester	- 14.6	Dorchester 3	- 38.0	Orangeburg 2	- 58.8
Anderson 2	- 8.9	Laurens 56	- 19.4	Orangeburg 4	- 8.9	Orangeburg 5	- 45.9	Calhoun	- 61.8
York 2	+ 10.8	Union	- 11.7	Dillon 3	- 20.4	Edgefield	- 27.5	Clarendon 1	- 97.9
				Darlington	- 21.1				
				Marlboro	- 10.9				

* 1968-69 to 1974-75

Appendix B

Table 5

Estimates of Change in White Private School Enrollment
in South Carolina School Districts: 1969-70 to 1974-75

First Quintile: Predominantly White		Second Quintile: Majority White		Third Quintile: Racially Balanced		Fourth Quintile: Majority Black		Fifth Quintile: Predominantly Black	
District	Percent Change in White Private School Enrollment	District	Percent Change in White Private School Enrollment	District	Percent Change in White Private School Enrollment	District	Percent Change in White Private School Enrollment	District	Percent Change in White Private School Enrollment
Lexington 5	+ 1.0*	Spartanburg 5	- .3*	Spartanburg 7	- .3*	Orangeburg 8	+24.8*	Dorchester 1	+ 7.0*
Lexington 1	+ 1.0*	Anderson 3	+ 2.1*	Kershaw	+ 3.0	Beaufort	+13.7	Marion 4	+ 4.7*
Pickens	+ 1.4	Spartanburg 4	- .3*	Barnwell 45	+12.7*	Marion 1	+ 4.7*	Clarendon 2	+39.2*
Lexington 2	+ 1.0*	Cherokee	+ 1.4	Chesterfield	+ .4	Dillon 1	+ 5.7*	Fairfield	+17.2
Oconee	0.0	Lancaster	+ .4	Laurens 55	+ 7.8*	Orangeburg 6	+24.8*	Jasper	+41.8
Anderson 1	+ 2.1*	Florence 5	+ 7.2*	Florence 1	+ 7.2*	Clarendon 3	+39.2*	Allendale	+33.1
York 4	+ 2.9*	Aiken	+ 2.4	Newberry	- .2	Sumter 2	+ 9.4*	Williamsburg	+26.2
Spartanburg 6	- .3*	York 3	+ 2.9*	Saluda	+20.7	Georgetown	+10.1	Florence 4	+ 7.2*
Spartanburg 2	- .3*	Anderson 4	+ 2.1*	Abbeville	+10.9	Florence 3	+ 7.2*	Orangeburg 3	+24.8*
Richland 2	+11.8*	Horry	+ 3.7	Charleston	+ 4.2	Richland 1	+11.8*	McCormick	+24.2
Spartanburg 1	- .3*	Lexington 4	+ 1.0*	Florence 2	+ 7.2*	Barnwell 19	+12.7*	Bamberg 2	+20.5*
Dorchester 2	+ 7.0*	Greenwood 52	+ 1.4*	Dillon 2	+ 5.7*	Bamberg 1	+20.5*	Hampton 2	+13.4*
Spartanburg 3	- .3*	Berkeley	+ 2.1	Hampton 1	+13.4*	Marion 2	+ 4.7*	Lee	+43.1
Greenwood 51	+ 1.4*	Greenwood 50	+ 1.4*	Barnwell 29	+12.7*	Colleton	+18.6	Marion 3	+ 4.7*
Greenville	+ 5.3	York 1	+ 2.9*	Sumter 17	+ 9.4*	Orangeburg 1	+24.8*	Orangeburg 7	+24.8*
Anderson 5	+ 2.1*	Lexington 3	+ 1.0*	Chester	+ 2.4	Dorchester 3	+ 7.0*	Orangeburg 2	+24.8*
Anderson 2	+ 2.1*	Laurens 56	+ 7.8*	Orangeburg 4	+24.8*	Orangeburg 5	+24.8*	Calhoun	+40.5
York 2	+ 2.9*	Union	+ 4.4	Dillon 3	+ 5.7*	Edgefield	+27.4	Clarendon 1	+39.2*
				Darlington	+10.6				
				Marlboro	+ 9.4				
Quintile Average	+ 2.3	Quintile Average	+ 2.4	Quintile Average	+ 8.4	Quintile Average	+16.2	Quintile Average	+24.2

* Change percentages are for the entire county, not the individual districts.

Appendix C, Table 1

Selected School Finance Statistics for Predominantly-White School Districts in the 1974-75 School Year

		DISTRICT	ADA	%WH	AV/ADA	TAX	L$/ADA	S$/ADA	SL$/A	F$/ADA	T$/ADA	PCI
75	57	LEXINGTON 5	6809.	92.3	3962.	111.0	626.	437.	1062.	24.	1087.	3263.
75	53	LEXINGTON 1	5993.	91.4	2418.	115.0	274.	444.	718.	26.	743.	1891.
75	74	PICKENS	12437.	89.5	3902.	78.0	284.	465.	749.	34.	783.	2426.
75	54	LEXINGTON 2	10375.	89.0	2532.	109.0	285.	445.	731.	39.	769.	2645.
75	65	CLEMSE	5163.	88.0	4263.	81.0	384.	467.	852.	186.	1038.	2256.
75	4	ANDERSON 1	4119.	86.9	3092.	86.3	267.	486.	753.	85.	837.	2409.
75	62	YORK 4	2203.	86.6	3299.	103.0	344.	453.	797.	53.	850.	2645.
75	83	SPARTANBURG 6	6838.	84.7	3806.	88.8	393.	445.	838.	36.	875.	2542.
75	79	SPARTANBURG 2	5612.	84.6	2159.	128.7	312.	453.	765.	41.	806.	2126.
75	76	RICHLAND 2	9417.	81.1	2045.	93.5	289.	469.	758.	130.	888.	2398.
75	78	SPARTANBURG 1	3815.	80.5	2242.	116.8	274.	508.	781.	43.	824.	2146.
75	30	DORCHESTER 2	7277.	79.5	1745.	78.0	144.	396.	540.	88.	627.	2264.
75	80	SPARTANBURG 3	3069.	78.4	6437.	92.6	720.	448.	1168.	39.	1207.	2341.
75	42	GREENWOOD 51	1169.	77.2	3542.	96.0	341.	488.	829.	52.	881.	2360.
75	40	GREENVILLE	49518.	76.5	3498.	92.8	332.	465.	798.	90.	888.	2659.
75	8	ANDERSON 5	11027.	75.7	3033.	99.5	315.	495.	810.	64.	874.	2606.
75	5	ANDERSON 2	3410.	75.5	2596.	86.3	240.	484.	724.	59.	783.	2338.
75	60	YORK 2	2480.	73.6	2696.	103.5	337.	497.	834.	102.	935.	2129.
WEIGHTED QUINTILE AVG.			8595.	81.8	3293.	95.3	331.	462.	793.	75.	868.	2506.
RAW QUINTILE AVG.			8595.	82.8	3237.	97.5	342.	464.	806.	66.	872.	2414.
STD DEV FROM WEIGHTED AVE				14.40	858.70	27.08	160.99	48.35	199.55	19.90	157.81	626.21

Appendix C, Table 2

Selected School Finance Statistics for Majority-White School Districts in the 1974-75 School Year

	DISTRICT	ADA	%WH	AV/ADA	TAX	L$/ADA	S$/ADA	SL$/A	F$/ADA	T$/ADA	PCI
75	82 SPARTANBURG 5	3884.	73.4	3374.	99.0	365.	444.	809.	67.	877.	2334.
75	6 ANDERSON 3	2145.	73.4	3617.	62.5	206.	434.	640.	50.	689.	2342.
75	81 SPARTANBURG 4	2410.	73.0	3220.	144.7	449.	446.	895.	48.	943.	2303.
75	18 CHEROKEE	7675.	71.8	3067.	92.0	294.	483.	778.	123.	901.	2209.
75	49 LANCASTER	10491.	70.4	2344.	108.0	230.	462.	692.	79.	771.	2364.
75	38 FLORENCE 5	1179.	69.6	2882.	82.0	233.	495.	728.	130.	858.	1828.
75	2 AIKEN	21145.	68.5	3209.	71.0	225.	467.	691.	93.	784.	2495.
75	91 YORK 3	10924.	67.5	3474.	103.0	329.	468.	798.	41.	839.	2417.
75	7 ANDERSON 4	2129.	67.2	2655.	78.5	232.	415.	648.	8.	656.	2475.
75	46 HORRY	16924.	66.6	3423.	60.0	200.	459.	660.	98.	758.	1974.
75	56 LEXINGTON 4	1282.	66.3	1692.	97.0	203.	517.	720.	160.	881.	1891.
75	43 GREENWOOD 52	1313.	65.9	6073.	72.0	459.	466.	925.	91.	1016.	2503.
75	15 BERKELEY	17976.	65.5	1765.	63.0	126.	422.	548.	147.	695.	1897.
75	41 GREENWOOD 50	8637.	63.8	3104.	85.0	290.	438.	729.	56.	785.	2574.
75	89 YORK 1	3136.	62.4	2154.	108.0	417.	579.	996.	127.	1123.	1949.
75	55 LEXINGTON 3	2392.	62.3	2495.	97.0	386.	436.	823.	56.	879.	2014.
75	51 LAURENS 56	3522.	61.9	2482.	76.0	219.	457.	676.	48.	724.	2084.
75	87 UNION	6287.	60.8	2777.	51.0	152.	489.	641.	64.	705.	2183.
WEIGHTED QUINTILE AVG.		6858.	67.2	2914.	79.8	241.	459.	700.	90.	790.	2231.
RAW QUINTILE AVG.		6858.	67.2	3100.	86.1	279.	465.	744.	83.	827.	2213.
STD DEV FROM WEIGHTED AVE			5.26	1746.03	40.15	175.93	86.25	283.95	21.03	280.67	159.51

Appendix C, Table 3

Selected School Finance Statistics for Racially Balance School Districts in the 1974-75 School Year

		DISTRICT	ADA	%WH	AV/ADA	TAX	L$/ADA	S$/ADA	SL$/A	F$/ADA	T$/ADA	PCI
75	24	SPARTANBURG 7	10637.	59.6	3344.	143.8	552.	517.	1070.	72.	1141.	2702.
75	48	KERSHAW	7950.	59.6	4739.	72.0	376.	504.	880.	134.	1014.	2363.
75	13	BARNWELL 45	2034.	59.6	3073.	84.0	255.	475.	730.	156.	886.	2094.
75	20	CHESTERFIELD	8063.	59.1	2035.	95.0	200.	443.	643.	112.	755.	2021.
75	50	LAURENS 55	5024.	59.0	2443.	81.0	229.	454.	684.	72.	755.	2365.
75	34	FLORENCE 1	12963.	58.5	2782.	79.0	259.	467.	726.	68.	794.	2390.
75	36	NEWBERRY	6057.	55.6	3038.	59.5	190.	444.	634.	60.	694.	2183.
75	77	SALUDA	2157.	55.4	1966.	54.0	147.	456.	604.	158.	761.	1910.
75	1	ABBEVILLE	3934.	53.7	2520.	64.0	215.	484.	699.	74.	773.	2153.
75	17	CHARLESTON	47744.	50.(	2544.	87.0	261.	450.	711.	144.	855.	2492.
75	35	FLORENCE 2	1359.	49.4	2293.	76.0	151.	462.	613.	276.	889.	1634.
75	27	DILLON 2	4229.	48.7	2151.	70.0	153.	434.	587.	120.	707.	1617.
75	44	HAMPTON 1	2287.	48.4	3354.	59.0	203.	458.	661.	121.	782.	1863.
75	12	BARNWELL 29	975.	48.1	2794.	87.0	205.	432.	638.	145.	783.	1970.
75	68	SUMTER 17	9068.	47.9	2884.	66.0	216.	505.	721.	111.	831.	2119.
75	19	CHESTER	6818.	47.7	2866.	65.0	189.	463.	653.	77.	730.	2064.
75	69	CRANGEBURG 4	1472.	47.6	1719.	80.0	155.	499.	654.	165.	819.	1648.
75	28	DILLON 3	1908.	47.5	1440.	70.0	164.	444.	608.	203.	812.	1506.
75	25	DARLINGTON	11696.	47.4	3527.	75.0	290.	488.	778.	105.	884.	2053.
75	63	MARLBORO	6727.	44.2	1752.	87.0	182.	455.	637.	157.	794.	1697.
WEIGHTED QUINTILE AVG.			7683.	52.5	2501.	83.1	262.	467.	730.	117.	846.	2254.
RAW QUINTILE AVG.			7683.	52.4	2686.	77.7	230.	467.	697.	127.	823.	2043.
STD DEV FROM WEIGHTED AVE				3.33	827.35	23.31	90.21	15.31	192.42	72.69	173.17	920.85

Appendix C, Table 4

Selected School Finance Statistics for Majority-Black School Districts in the 1974-75 School Year

		DISTRICT	ADA	%WM	AV/ADA	TAX	L$/ADA	S$/ADA	SL$/A	F$/ADA	TS/ADA	PCI
75	73	ORANGEBURG 8	519.	43.4	2401.	104.0	234.	506.	740.	155.	894.	1356.
75	14	BEAUFORT	8612.	43.0	4347.	57.5	250.	470.	720.	151.	870.	2179.
75	59	MARION 1	2935.	42.9	2734.	85.0	275.	482.	756.	88.	844.	1862.
75	26	DILLON 1	1213.	42.7	1868.	70.0	167.	451.	618.	215.	833.	1474.
75	71	ORANGEBURG 6	1253.	42.4	1488.	83.0	112.	417.	530.	103.	632.	1851.
75	23	CLARENDON 3	1108.	41.4	1838.	85.0	125.	470.	595.	112.	707.	1351.
75	65	SUMTER 2	9010.	41.2	1652.	67.0	135.	422.	557.	162.	720.	1647.
75	39	GEORGETOWN	8342.	40.0	3229.	78.6	255.	446.	701.	100.	801.	1781.
75	36	FLORENCE 3	4555.	39.8	1676.	72.0	112.	474.	587.	89.	675.	1874.
75	75	RICHLAND 1	30393.	39.8	4967.	89.5	487.	563.	1050.	93.	1143.	2567.
75	11	BARNWELL 19	1216.	39.1	1560.	87.0	181.	437.	618.	115.	733.	1675.
75	9	BAMBERG 1	1958.	38.9	1711.	80.5	141.	428.	569.	93.	662.	1580.
75	60	MARION 2	2747.	38.4	2542.	91.0	254.	454.	708.	108.	816.	1704.
75	24	COLLETON	6037.	37.5	2702.	70.0	179.	464.	643.	124.	766.	1705.
75	66	ORANGEBURG 1	1225.	35.0	1899.	93.0	176.	474.	650.	98.	748.	1627.
75	31	DORCHESTER 3	1261.	32.4	5155.	46.0	171.	402.	574.	250.	824.	1584.
75	70	ORANGEBURG 5	5961.	28.1	3252.	99.0	326.	469.	795.	145.	940.	2151.
75	32	EDGEFIELD	3213.	28.0	2780.	60.0	181.	450.	631.	135.	766.	1746.
WEIGHTED QUINTILE AVG.			5072.	38.9	3483.	79.5	299.	490.	789.	118.	907.	2066.
RAW QUINTILE AVG.			5072.	38.6	2678.	78.8	209.	460.	669.	130.	799.	1762.
STD DEV FROM WEIGHTED AVE				2.39	1993.35	10.60	199.92	169.13	412.53	71.72	425.05	1068.61

Appendix C, Table 5

Selected School Finance Statistics for Predominantly-Black School Districts in the 1974-75 School Year

	DISTRICT	ADA	%M	AV/ADA	TAX	L$/ADA	S$/ADA	SL$/A	F$/ADA	T$/ADA	PCI
75	29 DORCHESTER 1	1530.	27.4	1805.	82.0	155.	418.	573.	128.	701.	1611.
75	62 MARION 4	473.	27.0	1738.	91.0	173.	470.	643.	346.	989.	1360.
75	22 CLARENDON 2	2840.	24.1	2232.	42.0	90.	438.	529.	137.	666.	1458.
75	33 FAIRFIELD	4330.	22.3	2766.	76.0	211.	523.	734.	328.	1062.	1607.
75	47 JASPER	2755.	21.9	2376.	90.0	221.	452.	673.	236.	909.	1453.
75	3 ALLENDALE	2212.	21.7	2651.	65.0	177.	494.	671.	260.	931.	1621.
75	60 WILLIAMSBURG	8304.	19.9	1900.	47.0	88.	467.	555.	238.	793.	1344.
75	37 FLORENCE 4	1485.	19.1	1376.	84.0	119.	453.	571.	126.	697.	1682.
75	68 ORANGEBURG 3	3448.	16.4	1395.	85.0	156.	393.	549.	133.	682.	1234.
75	58 MCCORMICK	1869.	16.3	2572.	38.0	137.	432.	569.	270.	839.	1497.
75	10 BAMBERG 2	1405.	16.2	2350.	68.5	165.	463.	628.	172.	800.	1443.
75	45 HAMPTON 2	1402.	15.3	2631.	64.0	168.	454.	622.	152.	774.	1315.
75	23 LEE	3927.	15.1	1803.	67.0	130.	461.	591.	160.	751.	1671.
75	61 MARION 3	828.	14.6	1670.	81.0	158.	479.	637.	218.	855.	1288.
75	72 ORANGEBURG 7	1052.	13.1	1358.	84.0	138.	418.	557.	224.	781.	1266.
75	67 ORANGEBURG 2	1045.	12.5	1469.	100.0	157.	428.	585.	166.	751.	1445.
75	19 CALHOUN	2282.	11.1	4350.	52.0	229.	450.	680.	180.	860.	1226.
75	21 CLARENDON 1	1818.	0.3	1760.	46.0	80.	399.	479.	156.	635.	1103.
	WEIGHTED QUINTILE AVG.	2423.	18.0	2165.	65.3	146.	454.	600.	206.	806.	1431.
	RAW QUINTILE AVG.	2423.	17.5	2126.	70.1	153.	450.	603.	202.	804.	1424.
	STD DEV FROM WEIGHTED AVE		4.43	602.52	32.31	62.89	57.15	83.67	53.42	103.41	78.28
	WEIGHTED STATE AVG.	6160.	58.9	3048.	83.8	273.	467.	740.	106.	846.	2224.
	RAW STATE AVG	6160.	51.7	2764.	82.0	242.	461.	704.	121.	825.	1973.
	STD DEV FROM WEIGHTED AVE		16.36	708.08	10.74	56.30	64.11	191.69	94.95	149.19	935.80

Appendix D

Sources of School Revenues in South Carolina: 1965-66 to 1974-75

Year	State-Local Revenues		Total Revenues		
	Local Share	State Share	Local Share	State Share	Federal Share
1965-66	33.5%	66.5%	29.2%	58.1%	12.7%
1966-67	31.9	68.1	26.5	56.7	16.8
1967-68	33.4	66.6	28.0	55.6	16.4
1968-69	34.4	65.6	28.8	55.0	16.2
1969-70	35.3	64.7	30.2	55.1	14.7
1970-71	37.6	62.4	31.1	51.5	17.4
1971-72	39.9	60.1	32.8	49.4	17.8
1972-73	39.7	60.3	33.5	50.8	15.6
1973-74	38.3	61.7	32.8	52.8	14.4
1974-75	36.9	63.1	32.3	55.2	12.5

Local Revenues exclude revenues for capital construction.
State Revenues exclude transportation, school building fund, and vocational education construction and equipment.
Federal Revenues exclude U.S.D.A. funds.

Appendix E, Table 1

Statewide Averages for Selected School Finance Statistics: 1965-66 to 1974-75*

Year	Assessed Valuation Per ADA	Tax Rate	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Total Revenue Per ADA
1965-66	$1559	44.4 mills	$ 83	$177	$260	$ 38	$297
1966-67	1628	47.2 "	89	205	295	63	358
1967-68	1699	56.3 "	103	222	325	68	393
1968-69	1810	61.6 "	115	232	347	68	416
1969-70	1950	66.7 "	137	279	416	76	492
1970-71	2132	69.0 "	158	291	449	115	564
1971-72	2248	72.6 "	181	306	487	124	611
1972-73	2480	74.8 "	196	335	531	121	652
1973-74	2629	79.1 "	218	394	612	127	738
1974-75	2764	82.0 "	242	461	704	121	825

* State Averages are calculated from unweighted district averages.

Appendix E, Table 2

Weighted Statewide Averages for Selected School Finance Statistics: 1965-66 to 1974-75

Year	Assessed Valuation Per ADA*	Tax Rate°	Local Revenue Per ADA*	State Revenue Per ADA*	State-Local Revenue Per ADA*	Federal Revenue Per ADA*	Total Revenue Per ADA*
1965-66	$1646	45.6 mills	$ 88	$175	$263	$ 38	$301
1966-67	1723	47.9 "	95	203	298	60	358
1967-68	1809	56.7 "	111	220	332	65	396
1968-69	1914	60.6 "	120	229	349	67	416
1969-70	2079	68.6 "	152	277	430	74	503
1970-71	2275	70.8 "	172	285	457	95	553
1971-72	2424	75.2 "	202	304	506	110	616
1972-73	2645	78.5 "	221	335	556	104	660
1973-74	2863	80.6 "	245	394	639	107	746
1974-75	3048	83.8 "	273	467	740	106	846

* Weighted Averages equal state total divided by total state ADA.
° Weighted Average equals sum of (district tax rates multiplied by district ADA) divided by state ADA.

Appendix F, Table 1

Selected School Finance Statistics
for Quintiles of White Enrollment: 1965-66 to 1974-75*

Quintile of Percent White Enrollment	Assessed Valuation Per ADA	Tax Rate	Local Revenues Per ADA	State Revenues Per ADA	State-Local Revenues Per ADA	Federal Revenues Per ADA	Total Revenues Per ADA
1965-66							
First	$1871	42.6 mills	$107	$180	$287	$18	$305
Second	2146	38.1 "	104	179	282	28	310
Third	1512	47.5 "	85	178	263	41	305
Fourth	1198	48.6 "	66	175	241	57	298
Fifth	1072	44.9 "	52	172	224	43	267
1966-67							
First	$2173	45.4 mills	$120	$210	$330	$33	$364
Second	2010	44.2 "	107	207	314	53	368
Third	1577	47.6 "	92	206	298	72	370
Fourth	1272	52.4 "	73	203	277	78	355
Fifth	1113	46.3 "	55	198	253	78	331
1967-68							
First	$2265	62.5 mills	$146	$226	$373	$37	$409
Second	2020	56.1 "	117	222	339	51	391
Third	1715	54.8 "	104	226	330	79	409
Fourth	1321	57.3 "	85	220	305	84	389
Fifth	1171	50.7 "	64	216	280	87	367
1968-69							
First	$2370	68.4 mills	$161	$234	$395	$36	$430
Second	2150	61.3 "	130	233	364	51	425
Third	1828	57.8 "	114	237	351	68	419
Fourth	1391	65.6 "	97	227	324	92	416
Fifth	1310	55.5 "	74	229	303	95	398
1969-70							
First	$2365	74.1 mills	$176	$276	$452	$ 44	$500
Second	2510	66.5 "	171	281	452	56	507
Third	1980	65.3 "	147	287	435	70	504
Fourth	1503	67.6 "	107	281	388	100	487
Fifth	1390	59.9 "	83	270	353	107	460

* Quintile - Averages are calculated from unweighted district averages.

(continued)

(continued)

Appendix F, Table 1

Selected School Finance Statistics
for Quintiles of White Enrollment: 1965-66 to 1974-75*

Quintile of Percent White Enrollment	Assessed Valuation Per ADA	Tax Rate	Local Revenues Per ADA	State Revenues Per ADA	State-Local Revenues Per ADA	Federal Revenues Per ADA	Total Revenues Per ADA
1970-71							
First	$2509	78.7 mills	$197	$280	$477	$ 51	$528
Second	2649	69.9 "	185	283	468	78	546
Third	2141	64.9 "	163	291	454	123	577
Fourth	1739	69.9 "	142	299	440	144	584
Fifth	1624	62.3 "	103	301	403	180	583
1971-72							
First	$2578	83.1 mills	$232	$296	$527	$ 61	$589
Second	2693	74.6 "	221	305	525	96	621
Third	2287	65.9 "	175	307	482	136	618
Fourth	1955	73.8 "	159	314	473	142	615
Fifth	1725	66.3 "	121	306	427	185	613
1972-73							
First	$2748	90.0 mills	$257	$326	$583	$ 71	$654
Second	2969	78.4 "	243	332	575	89	664
Third	2447	67.7 "	184	354	529	128	657
Fourth	2179	75.8 "	174	339	513	130	643
Fifth	2062	63.2 "	125	331	456	185	641
1973-74							
First	$3018	88.4 mills	$292	$388	$681	$ 58	$738
Second	3083	84.5 "	270	394	664	81	745
Third	2619	70.9 "	201	400	601	126	726
Fourth	2384	81.8 "	189	399	588	144	732
Fifth	2045	70.9 "	139	387	526	224	751
1974-75							
First	$3237	97.9 mills	$342	$464	$806	$ 66	$872
Second	3100	86.1 "	279	465	744	83	827
Third	2686	77.7 "	230	467	697	127	823
Fourth	2678	78.8 "	209	460	669	130	799
Fifth	2128	70.1 "	153	450	603	202	804

* Quintile - Averages are calculated from unweighted district averages.

Appendix G

Selected School Finance Statistics
for Quintiles of Assessed Valuation Per ADA: 1965-66 to 1974-75

Quintile of Assessed Valuation Per ADA	Assessed Valuation Per ADA	Tax Rate	Local Revenues Per ADA	State Revenues Per ADA	State-Local Revenues Per ADA	Federal Revenues Per ADA	Total Revenues Per ADA
1965-66							
First	$2720	41.1 mills	$128	$182	$310	$28	$338
Second	1743	45.1 "	90	179	268	30	298
Third	1452	41.9 "	80	176	256	39	295
Fourth	1128	45.3 "	69	179	248	49	296
Fifth	764	48.9 "	48	169	217	42	259
1966-67							
First	$2802	43.0 mills	$134	$211	$345	$47	$392
Second	1831	51.4 "	105	209	314	54	368
Third	1523	43.7 "	88	204	291	65	356
Fourth	1194	47.6 "	72	208	280	77	357
Fifth	800	50.6 "	49	194	243	72	315
1967-68							
First	$2866	56.5 mills	$153	$227	$380	$41	$421
Second	1922	59.6 "	124	226	351	52	403
Third	1596	50.9 "	95	222	317	78	395
Fourth	1259	60.8 "	88	226	315	81	395
Fifth	861	54.2 "	57	210	267	87	354
1968-69							
First	$3019	61.7 mills	$172	$233	$404	$34	$438
Second	2042	61.9 "	135	237	372	54	426
Third	1710	56.7 "	106	236	342	84	426
Fourth	1341	67.6 "	96	238	334	81	415
Fifth	948	60.9 "	69	216	285	88	372
1969-70							
First	$3276	69.2 mills	$212	$284	$496	$47	$542
Second	2201	65.8 "	151	284	436	66	502
Third	1832	62.5 "	130	286	416	87	503
Fourth	1450	70.7 "	117	278	395	84	478
Fifth	1005	65.6 "	75	263	338	94	433

(continued)

(continued)

Appendix G

Selected School Finance Statistics
for Quintiles of Assessed Valuation Per ADA: 1965-66 to 1974-75

Quintile of Assessed Valuation Per ADA	Assessed Valuation Per ADA	Tax Rate	Local Revenues Per ADA	State Revenues Per ADA	State-Local Revenues Per ADA	Federal Revenues Per ADA	Total Revenues Per ADA
1970-71							
First	$3484	70.7 mills	$234	$289	$523	$ 80	$603
Second	2427	68.3 "	172	299	471	103	573
Third	2001	63.6 "	146	286	432	120	552
Fourth	1610	76.4 "	148	299	447	110	557
Fifth	1155	66.9 "	92	282	374	164	537
1971-72							
First	$3616	74.0 mills	$268	$305	$573	$ 91	$663
Second	2552	73.4 "	203	316	519	126	645
Third	2126	67.7 "	170	303	473	135	608
Fourth	1735	77.1 "	150	311	460	121	581
Fifth	1226	71.3 "	118	294	411	149	560
1972-73							
First	$3936	79.3 mills	$286	$331	$617	$ 91	$708
Second	2842	70.2 "	215	342	557	109	666
Third	2337	68.0 "	181	336	518	139	656
Fourth	1894	82.3 "	175	335	510	116	626
Fifth	1408	75.2 "	125	330	456	148	603
1973-74							
First	$4155	79.6 mills	$318	$399	$717	$ 77	$794
Second	3034	74.9 "	247	396	643	114	757
Third	2465	74.0 "	203	397	600	143	743
Fourth	2008	89.0 "	194	402	596	131	728
Fifth	1503	78.8 "	129	375	504	165	669
1974-75							
First	$4360	77.1 mills	$349	$465	$815	$ 99	$913
Second	3109	91.2 "	295	469	765	95	860
Third	2628	78.8 "	231	463	694	111	805
Fourth	2112	84.7 "	194	465	659	142	801
Fifth	1627	78.6 "	144	443	587	161	748

Appendix H, Table 1

Average Tax Rates for Quintiles of White Enrollment: 1965-66 to 1974-75*°

Quintiles of Percent White Enrollment	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
First -- Predominantly White	42.6 mills	45.4 mills	62.5 mills	68.4 mills	74.1 mills	78.7 mills	83.1 mills	90.0 mills	88.4 mills	97.9 mills
Second -- Racially Mixed: Majority White	38.1 "	44.2 "	56.1 "	61.3 "	66.5 "	69.9 "	74.6 "	78.4 "	84.5 "	86.1 "
Third -- Racially Mixed: Balanced	47.5 "	47.6 "	54.8 "	57.8 "	65.3 "	64.9 "	65.9 "	67.7 "	70.9 "	77.7 "
Fourth -- Racially Mixed: Majority Black	48.6 "	52.4 "	57.3 "	65.6 "	67.6 "	69.9 "	73.8 "	75.8 "	81.8 "	78.8 "
Fifth -- Predominantly Black	44.9 "	46.3 "	50.7 "	55.5 "	59.9 "	62.3 "	66.3 "	63.2 "	70.9 "	70.1 "
State Average	44.4 "	47.2 "	56.3 "	61.6 "	66.7 "	69.0 "	72.6 "	74.8	79.1 "	82.0 "

* Averages are Unweighted District Averages.
° Quintiles are not constant over time. Because of different patterns of enrollment change, district move from quintile to quintile each year, although there is not substantial variation over the decade.

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Appendix H, Table 2

Average Assessed Valuation Per ADA for Quintiles of White Enrollment: 1965-66 to 1974-75*°

Quintiles of Percent White Enrollment	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
First -- Predominantly White	$1871	$2173	$2265	$2370	$2365	$2509	$2578	$2748	$3018	$3237
Second -- Racially Mixed: Majority White	2146	2010	2020	2150	2510	2649	2693	2969	3083	3100
Third -- Racially Mixed: Balanced	1512	1577	1715	1828	1980	2141	2287	2447	2619	2686
Fourth -- Racially Mixed: Majority Black	1198	1272	1321	1391	1503	1739	1955	2179	2384	2678
Fifth -- Predominantly Black	1072	1113	1171	1310	1390	1624	1725	2062	2045	2128
State Average	1559	1628	1699	1810	1950	2132	2248	2480	2629	2764

* Averages are Unweighted District Averages.
° Quintiles are not constant over time. Because of different patterns of enrollment change, districts move from quintile to quintile each year, although there is not substantial variation over the decade.

Appendix H, Table 3

Average Local Revenues Per ADA for Quintiles of White Enrollment: 1965-66 to 1974-75*°

Quintiles of Percent White Enrollment	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
First -- Predominantly White	$107	$120	$146	$161	$176	$197	$232	$257	$292	$342
Second -- Racially Mixed: Majority White	104	107	117	130	171	185	221	243	270	279
Third -- Racially Mixed: Balanced	85	92	104	114	147	163	175	184	201	230
Fourth -- Racially Mixed: Majority Black	66	73	85	97	107	142	159	175	189	209
Fifth -- Predominantly Black	52	55	64	74	83	103	121	125	139	153
State Average	83	89	103	115	137	158	181	196	218	242

* Averages are Unweighted District Averages.
° Quintiles are not constant over time. Districts move from quintile to quintile over time, because of differential patterns of enrollment change, although there is not substantial variation over the decade.

Appendix H, Table 4

Average State-Local Revenues Per ADA for Quintiles of White Enrollment: 1965-66 to 1974-75*°

Quintile of Percent White Enrollment	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
First -- Predominantly White	$287	$330	$373	$395	$452	$477	$527	$583	$681	$806
Second -- Racially Mixed: Majority White	282	314	339	364	452	468	525	575	664	744
Third -- Racially Mixed: Balanced	263	298	330	351	435	454	482	529	601	697
Fourth -- Racially Mixed: Majority Black	241	277	305	324	388	440	473	513	588	669
Fifth -- Predominantly Black	224	253	280	303	353	403	427	456	526	603
State Average	260	295	325	347	416	449	487	531	612	704

* Averages are Unweighted District Averages.
° Quintiles are not constant over time. Because of different patterns of enrollment change, districts move from quintile to quintile each year, although there is no substantial variation over the decade.

Appendix I Table 1

Simple Correlation Coefficients Among Selected School Finance Variables: 1962-63

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.2515 (.008)	.4240 (.001)	.6626 (.001)	.7556 (.001)	.3385 (.001)	.7399 (.001)	.0564 (.297)	.0984 (.175)
Tax Rate		-.2425 (.010)	-.2143 (.020)	-.0001 (.500)	-.0354 (.369)	-.0102 (.462)	-.2215 (.017)	-.2958 (.002)
Percent White Enrollment			.8177 (.001)	.5364 (.002)	.3739 (.001)	.5635 (.001)	-.0506 (.316)	.1574 (.067)
1969 Per Capita Income				.6948 (.001)	.2694 (.005)	.6683 (.001)	.0287 (.393)	.2169 (.019)
Local Revenue Per ADA					.3979 (.001)	.9648 (.001)	-.2276 (.015)	.0081 (.470)
State Revenue Per ADA						.6251 (.001)	-.1963 (.030)	.0107 (.460)
State and Local Revenue Per ADA							-.2499 (.008)	.0099 (.463)
Federal Revenue Per ADA								.2726 (.004)

Appendix I Table 2

Simple Correlation Coefficients Among Selected School Finance Variables: 1965-66

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.2793 (.004)	.4319 (.001)	+.6520 (.001)	.8492 (.001)	.3157 (.001)	.8207 (.001)	-.3129 (.001)	-.1394 (.093)
Tax Rate		-.2084 (.023)	-.1982 (.029)	-.0384 (.358)	.0601 (.285)	-.0192 (.428)	.0655 (.267)	-.1427 (.087)
Percent White Enrollment			+.8312 (.001)	.5712 (.001)	.3029 (.002)	.5739 (.001)	-.4714 (.001)	-.2228 (.016)
1969 Per Capita Income				+.7141 (.001)	+.2818 (.008)	+.6869 (.001)	-.4154 (.096)	-.1372 (.096)
Local Revenue Per ADA					.4100 (.001)	.9756 (.001)	-.4162 (.001)	-.2485 (.008)
State Revenue Per ADA						.6001 (.001)	-.1935 (.032)	-.2059 (.024)
State and Local Revenue Per ADA							-.4116 (.001)	-.2675 (.005)
Federal Revenue Per ADA								.2280 (.014)

Appendix I Table 5

Simple Correlation Coefficients Among Selected School Finance Variables: 1966-67

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.2335 (.013)	.4483 (.001)	.6559 (.001)	.890 (.001)	.2929 (.002)	.7654 (.001)	-.3724 (.001)	- - -
Tax Rate		-.1631 (.060)	-.1584 (.066)	.0430 (.342)	.1061 (.157)	.0680 (.260)	.0765 (.234)	- - -
Percent White Enrollment			+.8352 (.001)	.5746 (.001)	.3020 (.002)	.5719 (.001)	-.5626 (.001)	- - -
1969 Per Capita Income				+.6915 (.001)	+.2557 (.007)	+.6559 (.001)	-.5029 (.001)	- - -
Local Revenue Per ADA					.4136 (.001)	.9616 (.001)	-.4336 (.001)	- - -
State Revenue Per ADA						.6475 (.001)	-.2583 (.001)	- - -
State and Local Revenue Per ADA							-.4408 (.001)	- - -
Federal Revenue Per ADA								- - -

Appendix I Table 4

Simple Correlation Coefficients Among Selected School Finance Variables: 1967-68

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.0389 (.356)	.4727 (.001)	+.6667 (.001)	.7842 (.001)	.2388 (.011)	.7296 (.001)	-.4839 (.001)	- - -
Tax Rate		.2198 (.018)	+.1947 (.031)	.4053 (.001)	.2460 (.009)	.4142 (.001)	-.2760 (.004)	- - -
Percent White Enrollment			+.8369 (.001)	.6002 (.001)	.2188 (.018)	.5693 (.001)	-.5492 (.001)	- - -
1969 Per Capita Income				+.7076 (.001)	+.1913 (.034)	+.6510 (.001)	-.5284 (.001)	- - -
Local Revenue Per ADA					.4049 (.001)	.9608 (.001)	-.5762 (.001)	- - -
State Revenue Per ADA						.6426 (.001)	-.2075 (.024)	- - -
State and Local Revenue Per ADA							-.5458 (.001)	- - -
Federal Revenue Per ADA								- - -

Appendix I Table 5

Simple Correlation Coefficients Among Selected School Finance Variables: 1968-69

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.0428 (.343)	.4534 (.001)	+.6328 (.001)	.8297 (.001)	.1737 (.049)	.7731 (.001)	-.4184 (.001)	-.1916 (.034)
Tax Rate		.1912 (.034)	+.1486 (.079)	.3700 (.001)	.2620 (.006)	.3989 (.001)	-.1367 (.097)	-.2301 (.014)
Percent White Enrollment			+.8366 (.001)	.5278 (.001)	.1311 (.106)	.4979 (.001)	-.5411 (.001)	-.2846 (.003)
1969 Per Capita Income				+.6307 (.001)	+.0677 (.261)	+.5688 (.001)	-.4786 (.001)	-.1657 (.057)
Local Revenue Per ADA					.3064 (.001)	.9602 (.001)	-.4377 (.001)	-.2473 (.009)
State Revenue Per ADA						.5601 (.001)	-.0796 (.225)	-.2324 (.013)
State and Local Revenue Per ADA							-.4043 (.001)	-.2834 (.003)
Federal Revenue Per ADA								+.2834 (.003)

Appendix I Table 6

Simple Correlation Coefficients Among Selected School Finance Variables: 1969-70

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.0784 (.229)	.4304 (.001)	.6005 (.001)	.7919 (.001)	.2102 (.022)	.7493 (.001)	-.3772 (.001)	-.3115 (.001)
Tax Rate		.2575 (.007)	.2214 (.017)	.3893 (.001)	.1777 (.045)	.3878 (.001)	-.0972 (.178)	.1120 (.144)
Percent White Enrollment			.8304 (.001)	.5916 (.001)	.1387 (.094)	.5549 (.001)	-.5375 (.001)	-.4344 (.001)
1969 Per Capita Income				.7077 (.001)	.1273 (.113)	.6537 (.001)	-.4638 (.001)	-.3104 (.001)
Local Revenue Per ADA					.3539 (.001)	.9694 (.001)	-.4080 (.001)	-.2842 (.003)
State Revenue Per ADA						.5725 (.001)	-.0486 (.323)	-.1943 (032)
State and Local Revenue Per ADA							-.3704 (.001)	-.3001 (.002)
Federal Revenue Per ADA								+.3725 (.001)

Appendix I Table 7

Simple Correlation Coefficients Among Selected School Finance Variables: 1970-71

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.0838 (.213)	.4049 (.001)	.5734 (.001)	.7454 (.001)	-.0114 (.457)	.6717 (.001)	-.4065 (.001)	-.3047 (.002)
Tax Rate		.3181 (.001)	.2975 (.003)	.3613 (.001)	.1482 (.079)	.3764 (.001)	-.4083 (.001)	-.1776 (.045)
Percent White Enrollment			.8290 (.001)	.5321 (.001)	-.2737 (.004)	.3916 (.001)	-.8242 (.001)	-.6737 (.001)
1969 Per Capita Income				.6455 (.001)	-.2372 (.011)	.5065 (.001)	-.7344 (.001)	-.5706 (.001)
Local Revenue Per ADA					.1161 (.135)	.9445 (.001)	-.4750 (.001)	-.3741 (.001)
State Revenue Per ADA						.4359 (.001)	+.3024 (.002)	.2173 (.019)
State and Local Revenue Per ADA							-.3305 (.001)	-.2671 (.005)
Federal Revenue Per ADA								+.6237 (.001)

Appendix I Table 8

Simple Correlation Coefficients Among Selected School Finance Variables: 1971-72

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.0385 (.358)	.3658 (.001)	.5469 (.001)	.7633 (.001)	+.0831 (.215)	.7179 (.001)	-.2723 (.001)	-.3153 (.001)
Tax Rate		.2965 (.001)	.3094 (.001)	.4679 (.001)	.1593 (.065)	.4693 (.001)	-.4493 (.001)	-.1138 (.140)
Percent White Enrollment			.8221 (.001)	.5352 (.001)	-.1665 (.056)	.4428 (.001)	-.8005 (.001)	-.7217 (.001)
1969 Per Capita Income				.6733 (.001)	-.0699 (.254)	.5947 (.001)	-.6707 (.001)	-.6181 (.001)
Local Revenue Per ADA					.1971 (.030)	.9644 (.001)	-.4963 (.001)	-.4110 (.001)
State Revenue Per ADA						.4493 (.001)	+.2226 (.001)	.1572 (.067)
State and Local Revenue Per ADA							-.3923 (.001)	-.3322 (.001)
Federal Revenue Per ADA								+.5785 (.001)

Appendix I Table 9

Simple Correlation Coefficients Among Selected School Finance Variables: 1972-73

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.0836 (.214)	.2749 (.004)	.4565 (.001)	.6773 (.001)	-.0044 (.484)	.6245 (.001)	-.2545 (.007)	- - -
Tax Rate		.4317 (.001)	.4261 (.001)	.5166 (.001)	.0878 (.003)	.5015 (.001)	-.4295 (.001)	- - -
Percent White Enrollment			.8159 (.001)	.5960 (.001)	-.1005 (.170)	.5228 (.001)	-.7841 (.001)	- - -
1969 Per Capita Income				.7390 (.001)	-.0688 (.257)	.6636 (.001)	-.6845 (.001)	- - -
Local Revenue Per ADA					.1377 (.095)	.9619 (.001)	-.4904 (.001)	- - -
State Revenue Per ADA						.4035 (.001)	+.2866 (.003)	- - -
State and Local Revenue Per ADA							-.3738 (.001)	- - -
Federal Revenue Per ADA								- - -

Appendix I Table 10

Simple Correlation Coefficients Among Selected School Finance Variables: 1973-74

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment
Assessed Valuation Per ADA	-.1135 (.141)	.3157 (.001)	.5030 (.001)	.6865 (.001)	.1261 (.115)	.6540 (.001)	-.3206 (.001)	- - -
Tax Rate		.2698 (.005)	.2511 (.008)	.4364 (.001)	.1641 (.059)	.4391 (.001)	-.3286 (.001)	- - -
Percent White Enrollment			.8126 (.001)	.6172 (.001)	.0098 (.463)	.5591 (.001)	-.8185 (.001)	- - -
1969 Per Capita Income				.7639 (.001)	.0518 (.312)	.7030 (.001)	-.7058 (.001)	- - -
Local Revenue Per ADA					.2191 (.018)	.9624 (.001)	-.5980 (.001)	- - -
State Revenue Per ADA						.4758 (.001)	+.0779 (.236)	- - -
State and Local Revenue Per ADA							-.5173 (.001)	- - -
Federal Revenue Per ADA								- - -

Appendix I Table 11

Simple Correlation Coefficients Among Selected School Finance Variables: 1974-75

	Tax Rate	Percent White Enrollment	1969 Per Capita Income	Local Revenue Per ADA	State Revenue Per ADA	State-Local Revenue Per ADA	Federal Revenue Per ADA	Percent White Private School Enrollment	
								District	County
Assessed Valuation Per ADA	-.0186 (.430)	.3474 (.001)	+.5172 (.001)	.6880 (.001)	.1798 (.043)	.6569 (.001)	-.2412 (.010)	-.2193 (.018)	-.2720 (.004)
Tax Rate		.4768 (.001)	+.4138 (.001)	.5793 (.001)	.2462 (.009)	.5767 (.001)	-.3936 (.001)	-.3902 (.001)	-.3803 (.001)
Percent White Enrollment			+.8106 (.001)	.5690 (.001)	.1589 (.065)	.5458 (.001)	-.6600 (.001)	-.8117 (.001)	-.7470 (.001)
1969 Per Capita Income				+.6918 (.001)	+.2097 (.022)	+.6677 (.001)	-.6776 (.001)	-.6178 (.001)	-.6440 (.001)
Local Revenue Per ADA					.3301 (.001)	.9719 (.001)	-.4518 (.001)	-.4179 (.001)	-.4669 (.001)
State Revenue Per ADA						.5430 (.001)	.0259 (.403)	-.2169 (.019)	-.1397 (.092)
Percent White Private School Enrollment									
District						-.4259 (.001)	.4422 (.001)		.7618 (.001)
County						-.4502 (.001)	+.4608 (.001)		
State and Local Revenue Per ADA							-.3954 (.001)		

Appendix J, Table 1

Relationship Between White Enrollment, Tax Rate, and School District Size (ADA): 1962-63 to 1974-75

Year	Pearson Correlation			Partial Correlation
	Percent White and Tax Rate	Percent White and ADA	Tax Rate and ADA	Percent White and Tax Rate Controlling for ADA
1962-63	-.2425 (.010)	+.2096 (.022)	.0936 (.188)	---*
1965-66	-.2084 (.023)	+.2134 (.021)	.0769 (.233)	-.2308 (.014)
1966-67	-.1631 (.060)	+.2155 (.020)	.0507 (.316)	-.1785 (.045)
1967-68	+.2198 (.018)	+.2156 (.020)	.0263 (.402)	+.2193 (.018)
1968-69	+.1912 (.034)	+.2177 (.019)	-.0580 (.292)	+.2092 (.023)
1969-70	+.2575 (.007)	+.2227 (.016)	+.1090 (.151)	+.2407 (.011)
1970-71	+.3181 (.001)	+.2367 (.012)	+.0950 (.184)	+.3056 (.002)
1971-72	+.2965 (.002)	+.2390 (.011)	+.1327 (.104)	+.2751 (.004)
1972-73	+.4317 (.001)	+.2393 (.011)	+.1565 (.068)	+.4112 (.001)
1973-74	+.2698 (.005)	+.2370 (.011)	+.0559 (.298)	+.2645 (.006)
1974-75	+.4750 (.001)	+.2405 (.010)	+.0642 (.272)	+.4744 (.001)

* Not calculated.

Appendix J, Table 2

Relationship Between White Enrollment, Assessed Valuation Per ADA, and Tax Rates: 1962-63 to 1974-75

Year	Pearson Correlation			Partial Correlation
	Percent White and Tax Effort	Percent White and ASVAL/ADA	ASVAL/ADA and Tax Rate	Percent White and Tax Rate Controlling for ASVAL/ADA
1962-63	-.2425 (.010)	+.4240 (.001)	-.2515 (.008)	-.1550 (.071)
1965-66	-.2084 (.023)	+.4319 (.001)	-.2793 (.004)	-.1014 (.169)
1966-67	-.1631 (.060)	+.4483 (.001)	-.2335 (.013)	-.0673 (.263)
1967-68	+.2198 (.018)	+.4727 (.001)	-.0389 (.356)	+.2705 (.005)
1968-69	+.1912 (.034)	+.4534 (.001)	-.0428 (.343)	+.2366 (.012)
1969-70	+.2575 (.007)	+.4304 (.001)	-.0784 (.229)	+.3237 (.001)
1970-71	+.3181 (.001)	+.4049 (.001)	-.0838 (.213)	+.3863 (.001)
1971-72	+.2965 (.002)	+.3658 (.001)	-.0385 (.358)	+.3340 (.001)
1972-73	+.4317 (.001)	+.2749 (.004)	-.0836 (.214)	+.4746 (.001)
1973-74	+.2698 (.005)	+.3157 (.001)	-.1135 (.141)	+.3242 (.001)
1974-75	+.4750 (.001)	+.[illegible]4 (.001)	-.0216 (.419)	+.5147 (.001)

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Appendix K

Determinants of Local Revenue Per ADA in South Carolina School Districts in Selected Years: 1965-66 to 1974-75

	Mult R	R^2	R^2Chg	Simple R	B	Beta	F	Standard Error B
1965-66								
Assessed Valuation Per ADA	.849	.721	.721	.849	.038	.909	287.673	.002
Tax Rate	.874	.764	.043	-.038	.689	.216	16.178	.171
Constant						-7.721		
1968-69								
Assessed Valuation Per ADA	.830	.688	.688	.830	.051	.847	434.425	.002
Tax Rate	.924	.853	.165	.370	1.561	.406	99.946	.156
Constant					-72.458			
1969-70								
Assessed Valuation Per ADA	.792	.627	.627	.792	.050	.828	360.654	.003
Tax Rate	.912	.832	.205	.389	1.995	.454	108.623	.191
Constant					-93.267			
1971-72								
Assessed Valuation Per ADA	.763	.583	.583	.763	.058	.782	320.495	.003
Tax Rate	.911	.830	.248	.468	2.483	.498	129.850	.218
Constant					-128.465			
1974-75								
Assessed Valuation Per ADA	.688	.473	.473	.688	.074	.701	247.625	.005
Tax Rate	.908	.824	.350	.577	3.380	.592	176.634	.251
Constant					-239.573			

Appendix L

"Underfunding" in Other South Carolina School Districts

Historical "Underfunding"

McCormick County

-- Demography. During the entire period of this analysis, the public school population of McCormick County has been predominantly black. During the 1960's the proportion of blacks enrolled remained fairly stable at between 65% and 75%. With the advent of desegregation in the 1970-71 school year, however, the racial composition underwent a rapid change. In that single year, the white population of the district dropped by about 15%; between 1969-70 and 1974-75, it dropped by about 50%. Thus, a district which had been about 28% white in 1969-70 was only about 16% white in 1974-75. At the same time the white private school enrollment remained fairly stable at around 20-25% of the total white enrollment in the schools.

-- Fiscal Patterns. In its support of the public schools, McCormick County has consistently placed at or near the bottom among South Carolina school districts during the entire period examined in the study. Despite its nearly average level of assessed valuation per pupil (the district has since 1966-67 been just below the state average), the district has been in the lowest quintile of districts in both tax rate and local revenue per ADA. In fact, its tax rate of 23 mills from 1965-66 to 1970-71 and of 38 mills from 1971-72 to 1974-75 has been the lowest in the state. In comparison with districts of relatively comparable property-wealth, McCormick has fallen progressively behind in its support of the public schools, as Table 1 clearly demonstrates.

Table 1

Selected Local School Finance Statistics:
McCormick County and Districts with
Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	McCormick	3rd Quintile ASVAL/ADA*	McCormick	3rd Quintile ASVAL/ADA*	McCormick	3rd Quintile ASVAL/ADA*
1966-67	$1527	$1523	23 mills	43.7 mills	$53	$88
1969-70	1763	1832	23 "	62.5 "	47	130
1972-73	2211	2337	38 "	68.0 "	87	181
1974-75	2572	2628	38 "	78.8 "	136	231

* ASVAL/ADA = Assessed Valuation Per ADA

Throughout the entire 1966-67 to 1974-75 period McCormick fell in the third quintile of assessed valuation per ADA. This meant that, when South Carolina school districts were ranked on their property wealth and divided into five groups, McCormick was in the middle group. In comparison with this group of districts with nearly comparable property wealth, McCormick has consistently exerted a lower tax rate and raised lower levels of local revenues. In the 1966-67 school year, for example, McCormick's tax rate of 23 mills was about 20 mills lower than its wealth group average of 43.7 mills, and local revenues were about $35 per ADA lower. By 1969-70, the tax rate gap had increased to nearly 40 mills and the revenue gap to about $83 per ADA.

And by 1974-75, the tax rate gap had stabilized at about 40 mills, while the gap in revenues had increased further to about $95 per ADA. In summary, the pattern of underfunding which was already well-established before major desegregation took place, was further exacerbated when many of the few whites in the district left the public schools in the early 1970's.

Edgefield County

-- Demography. The enrollment changes in Edgefield County's public schools have paralleled those in McCormick
In the pre-desegregation period between 1962-63 and 1969-70, white and black enrollment both declined slightly but generally remained fairly stable, with the black proportion at about 67% of the total. Beginning in 1970-71, however, white decline started to outpace black decline significantly. In the single year between 1969-70 and 1970-71, white enrollment decreased by about 22%, and in the five-year period between 1969-70 and 1974-75, the decrease was about 27.5%. Thus, by 1974-75, white enrollment in the public schools had dropped to about 28% while white enrollment in private schools in the county was also about 28% of total white enrollment.

-- Fiscal Patterns. The fiscal patterns in Edgefield County show some contrast with those described previously for McCormick

In Edgefield the local tax rate has increased over the

eight-year period from 30 mills in 1966-67 to 60 mills in 1974-75, but relative to other districts the tax effort in each year was still in the lowest fifth of South Carolina school districts. Because of relatively higher levels of property wealth, local revenues have also shown an increase during the course of the period -- from $50 in 1966-67 to $78 in 1969-70 and $180 in 1974-75. But again, local revenues per ADA in Edgefield were well below the state average in each of these years. On both measures -- tax rate and local revenue per ADA -- Edgefield was also below other districts of comparable wealth, as Table 2 clearly demonstrates.

Table 2

Selected Local School Finance Statistics:
Edgefield County and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Edgefield	3rd Quintile ASVAL/ADA*	Edgefield	3rd Quintile ASVAL/ADA*	Edgefield	3rd Quintile ASVAL/ADA*
1966-67	$1474	$1523	30 mills	43.7 mills	$ 50	$ 88
1969-70	1920	1832	40 "	62.5 "	78	130
1972-73	2501	2337	60 "	68.0 "	154	181
1974-75	2780	2628	60 "	78.8 "	180	231

* ASVAL/ADA = Assessed Valuation Per ADA.

Over the 1966-67 to 1974-75 period, Edgefield's tax rate has consistently been between eight and eighteen mills below the average of

districts in the third quintile of assessed valuation per ADA; and with the exception of the 1972-73 school year, the trend has been for the difference to increase slightly in more recent years. Despite marginally higher property wealth than the third quintile average, local revenues have generally fallen below the quintile average by approximately the same amount. Edgefield was about $38 below the quintile average in 1966-67, about $52 below in 1969-70, and about $51 below in 1974-75. The data thus show that the pre-desegregation "underfunding" pattern has been carried over into the post-desegregation period.

Calhoun County

Calhoun County presents a fiscal pattern which is similar to the one discussed in the first section of Chapter 3. Both predominantly-black school districts (Calhoun 1 and 2) seemed to "underfund" the public schools in both the pre- and post-desegregation periods, prior to the district consolidation in 1974-75. However, the consolidation precluded the possibility of a separate district analysis in the most recent school year. The decision was therefore made to consider the district as a single unit for the entire period, and to make comparisons with other districts in the state, using calcu-

lated figures for the consolidated district. Since the same local authority, namely the county legislative delegation, made the fiscal decisions for both of these districts, this seemed a reasonable way to approach the analysis for this county.

-- Demography. During the early 1960's, the racial composition of the two Calhoun districts was quite similar. Both were predominantly black, with white enrollments averaging about 21-23% in Calhoun 2 and about 26-28% in Calhoun 1. However, Calhoun 2 seemed to experience a large loss in white enrollment slightly earlier than Calhoun 1. In the single year, 1968-69, the white enrollment in Calhoun 2 dropped from 20.9% to 0%, where it remained until 1973-74. Concomitantly, white enrollment in Calhoun 1 jumped from 27.7% to 30.2% -- probably as the result of the transfer of some whites from Calhoun 2. Two years later, in 1970-71, the year of major desegregation in the state, Calhoun 1 experienced a similar loss in white enrollment. In the one year, the district lost about 50% of the white students, dropping its proportion of whites to about 18% from 31% the previous year. By 1973-74, the white proportion had declined to 15%, and by 1973-74, the white enrollment for the consolidated district stood at 11%.

-- Fiscal Patterns. At first glance, the pattern of discrimination in the provision of local revenues in Calhoun County did not appear to be as great as it was in some other districts. When the two districts were considered as a consolidated unit, local revenues seemed relatively high in comparison with other districts. On a per ADA basis, they consistently fell in the third quintile of South Carolina districts. This, however, was solely the product of the county's high level of property wealth (the county fell in the top quintile between 1968-69 and 1974-75), not its tax rate. In fact, the district consistently ranked in the lowest group in tax rate,

and was one of the few to show an absolute decrease in tax effort, until a modest increase in 1974-75 returned it to its 1967-68 levels. In comparison with other districts of comparable wealth, however, the district's fiscal picture was poor.

Table 3

Selected Local School Finance Statistics:
Calhoun County and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Calhoun	1st Quintile ASVAL/ADA*	Calhoun	1st Quintile ASVAL/ADA*	Calhoun	1st Quintile
1966-67	$2581	$3019	49.0 mills	61.7 mills	$118	$172
1970-71	3323	3484	48.0 "	70.7 "	143	234
1972-73	4407	3936	44.0 "	79.3 "	200	286
1974-75	4350	4360	52.0 "	77.1 "	229	349

* ASVAL/ADA = Assessed Valuation Per ADA.

During the 1968-69 to 1974-75 period, Calhoun's property wealth fluctuated around the quintile average, but tax rate and local revenues fell increasingly below their respective quintile averages. Where in 1968-69, the county's tax rate was about 13 mills below, and local revenues were about $54 per ADA below, the quintile averages, by 1974-75 the gap had increased to about 25 mills and $120 per ADA respectively. With a black enrollment comprising about 90% of the public school totals -- and with a private school enrollment which included about 55% of the white students in the district -- the county fiscal authority was clearly unwilling to provide local support for the public schools at even average levels.

"Underfunding" in Response to Desegregation

Hampton 2

-- Demography. The demographic patterns in Hampton 2 are slightly different from those described in the other predominantly black districts. Throughout the 1960's, black and white public school enrollment both showed gradual decline, although white decline was slightly greater. Thus, by 1969-70, white enrollment had dropped to about 20.3% from 23.8% in 1962-63. After desegregation in 1969-70, black enrollment continued to decline gradually, while white enrollment dropped more precipitously. In the one year, 1969-70 to 1970-71, nearly 20% of the whites left the schools, and over the 1969-70 to 1974-75 period, the drop was about 37% of the 1969-70 enrollment level; only 15% of the public school enrollment was white in 1974-75.

-- Fiscal Patterns. The fiscal patterns in Hampton 2 parallel the demographic changes. For example, in 1966-67, the district's tax rate of 52 mills was in the second fifth among South Carolina school districts. It was also above the state average. However, between 1966-67 and 1969-70, it rose by only four mills, and between 1969-70 and 1974-75, it rose by only four mills more. Thus by 1974-75, Hampton 2, with a tax rate of 64 mills, was in the lowest tax rate group of South Carolina school districts. Local revenues per ADA did, of course, increase during the 1966-67 to 1974-75 period -- as a result of increases in assessed valuation per ADA -- but by substantially lower amounts than in districts with similar property wealth. Table 4 documents the relative decline in Hampton 2's revenue position.

Table 4

Selected Local School Finance Statistics:
Hampton 2 and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Hampton 2	Average of 3rd and 4th Quintiles in ASVAL/ADA*	Hampton 2	Average of 3rd and 4th Quintiles in ASVAL/ADA*	Hampton 2	Average of 3rd and 4th Quintiles in ASVAL/ADA
1966-67	$1404	$1367	52 mills	45.4 mills	$ 82	$ 80
1969-70	1566	1651	60 "	66.4 "	96	124
1972-73	1801	2127	63 "	74.8 "	113	178
1974-75	2631	2384	64 "	82.1 "	167	213

*ASVAL/ADA = Assessed Valuation Per ADA.

A comparison between Hampton 2 and districts of comparable wealth is complicated by the fluctuation in Hampton 2's relative standing in property wealth over time. In 1966-67, the district was in the third quintile of assessed valuation per ADA; in 1969-70, the fourth quintile; in 1972-73, the fourth quintile; and in 1974-75, the third quintile. Nonetheless, for the purpose of comparability, an average of results for the third and fourth quintiles in each year was used as a standard of comparison, even though the actual quintile average would have been a better measure in any given year. Despite this limitation, the pattern for Hampton 2 shows a clear trend towards underfunding.

In the pre-desegregation period, represented by the 1966-67 school year, the district's tax rate was about 6.5 mills above the combined average for the third and fourth quintiles in property wealth, and local revenues per ADA approximated average levels. Al-

ready, however, in the last year before major desegregation, the pattern had begun to change. The tax rate was now about 6.4 mills below the combined quintile average, and local revenues were about $28 per ADA below the average. As desegregation proceeded, the district fell increasingly behind. By 1974-75, the district had dropped about 18 mills behind in its tax rate and about $46 behind in local revenues per ADA. In short, the pattern of "underfunding" became considerably more pronounced as the school district population became increasingly black.

Chester County

-- Demography. Throughout the 1960's, the racial composition of the schools in Chester County remained evenly balanced between blacks and whites, with whites in the slight majority. In 1962-63, whites comprised about 54% of the school enrollment, and in 1969-70 the proportion was still only slightly lower -- about 51%. However, the loss of about 5% of the whites during the 1969-70 to 1970-71 period changed the racial balance and created a majority black district (49.2% white). The continued white decline between 1970-71 and 1974-75, coupled with the maintenance of a fairly stable black enrollment, further reduced the white proportion to about 47.7% in the most recent year.

-- Fiscal Patterns. Throughout the entire 1966-67 to 1974-75 period, the tax rate in Chester County has been in the bottom half when South Carolina school districts are ranked on tax effort. The rate itself was raised only twice, by six mills in 1967-68 and by eighteen mills to 65 mills in 1969-70, where it has remained since that time. In the most recent year, 1974-75, it was in the lowest

fifth in tax rate of all districts in the state. Relative to other districts of comparable wealth, the local fiscal position of the district has also declined, as Table 5 demonstrates.

Table 5

Selected Local School Finance Statistics:
Chester County and Districts
with Comparable Levels of Property Wealth

Year	Assessed Valuation Per ADA		Tax Rate		Local Revenues Per ADA	
	Chester	2nd Quintile ASVAL/ADA*	Chester	2nd Quintile ASVAL/ADA*	Chester	2nd Quintile ASVAL/ADA*
1967-68	$2017	$1922	47 mills	58.8 mills	$ 97	$122
1969-70	2302	2201	65 "	65.8 "	143	151
1972-73	2767	2842	65 "	70.2 "	184	215
1974-75	2866	3109	65 "	91.2 "	189	295

* ASVAL/ADA = Assessed Valuation Per ADA.

During the pre-desegregation period, Chester was slightly behind districts of comparable wealth in tax effort and local revenues per ADA. In 1967-68, for example, the gap was about 11.8 mills and $25 per ADA. With the increase in tax rate to 65 mills in 1969-70, however, the district pulled up to virtually comparable levels on both of these measures. Then, as desegregation proceeded, and the district became majority black, the gap between Chester and other districts began to develop again. By 1974-75, the tax rate gap had reached 26.2 mills and the revenue gap reached $106 per ADA. In brief, post-desegregation "underfunding", which was clearly discernible in other majority-black and predominantly-black districts, began to be practiced in Chester County as well.